

DECEMBER 13, 2018
SOUTH SAN FRANCISCO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting



**CONTRACTORS STATE LICENSE BOARD**

9821 Business Park Drive, Sacramento, California 95827

Mailing Address: P.O. Box 26000, Sacramento, CA 95826

800.321.CSLB (2752) | www.cslb.ca.gov | CheckTheLicenseFirst.com

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF PUBLIC BOARD MEETING

Thursday, December 13, 2018, 1:00 p.m. – 5:00 p.m. (or upon adjournment)

Embassy Suites San Francisco Airport
250 Gateway Blvd., South San Francisco, CA 94080

Meetings are open to the public except when specifically noticed otherwise in accordance with the Open Meeting Act. All times when stated are approximate and subject to change without prior notice at the discretion of the board unless listed as "time certain". Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. Action may be taken on any item listed on this agenda, including information-only items. The meeting may be canceled without notice.

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

The board intends to provide a live webcast of the meeting on its website, www.cslb.ca.gov. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. For verification of the meeting, call (916) 255-4000 or visit www.cslb.ca.gov.

MEETING AGENDA**OPEN SESSION**

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction
- B. Presentation of Certificates of Appreciation
 - 1. Insurance Commissioner Dave Jones for Long-Standing Partnership and Commitment to Consumer Protection
 - 2. KGO-TV's "7 On Your Side" for Dedication to Consumer and Investigative Reporting
- C. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- D. Executive
 - 1. Review and Possible Approval of September 20, 2018, Board Meeting Minutes
 - 2. Registrar's Report
 - a. Update on CSLB's 2018 Sunset Review Report Before the California State Legislature
 - b. Review of Energy Storage System Study Timeline
 - c. Update on CSLB's 2019-21 Strategic Plan
 - d. Update on CSLB's Disaster Response
 - e. Tentative 2019 Board and Committee Meeting Schedule
 - 3. Administration Update Regarding Personnel and Facilities

4. Budget Update

5. Information Technology Update

- a. Staff Presentation on Data Information Storage and Security

E. Legislation

1. Review, Discussion, and Consideration of Requirements for CSLB Implementation of AB 2138 (Chapter 995, Statutes of 2018, Chiu; Denial of Applications Based Upon Criminal Convictions)
2. Review and Discussion of a Legislative Proposal by the California Pool & Spa Association to Establish a Voluntary Certification Program for Swimming Pool (C-53) Contractors
3. Review, Discussion, and Possible Action on Potential 2019 Legislative Proposals
 - a. Enforcing Contractor Compliance with Tree-Worker Safety Regulations
 - b. Presentation by Cal/OSHA Division of Occupational Safety and Health (DOSH) Staff in Support of Legislative Proposal Regarding Tree Worker Safety Enforcement
4. Discussion and Consideration of Approval of Staff Recommendations for Legislative Proposals to Make Minor, Technical, or Non-Substantive Changes to the Contractors State License Law (Omnibus, Clean-Up Bill Request)

F. Licensing

1. Licensing Program Update
 - a. Application Processing Statistics
 - b. Renewal Processing Statistics
 - c. Workers' Compensation Recertification Statistics
 - d. Fingerprinting/Criminal Background Unit Statistics
 - e. Experience Verification Statistics
 - f. Licensing Information Center Statistics
 - g. Judgment Unit Statistics
 - h. Update on Development of a Possible New Remodeling and Home Improvement License Classification
2. Testing Program Update
 - a. Examination Administration Unit Update
 - b. Examination Development Unit Update

3. Update on Development of a C-License Classification for Tree Service Contractors

G. Enforcement

1. Enforcement Program Update
 - a. Staff Vacancy Update
 - b. Consumer Investigation Highlights
 - c. Building Permit Compliance Update
 - d. General Complaint-Handling Statistics
 - e. Staff Training Update
2. Update on Solar Task Force Objectives and Activities
3. Review and Discussion of Partnership with California Building Officials to Develop Strategies to Address Underground Economy in Construction
4. Review and Discussion Regarding CSLB Implementation of SB 1465 (Hill, Chapter 514, Statutes of 2018) Settlement Reporting Requirements

H. Public Affairs

1. Public Affairs Program Update
 - a. Online Highlights
 - b. Video/Digital Services
 - c. Media Relations Highlights
 - d. Industry and Licensee Highlights
 - e. Publication/Graphic Design Highlights
 - f. Community Outreach Highlights
 - g. Employee Relations, Development and Intranet (CSLBin)

CLOSED SESSION

- I. Closed Session: Pursuant to Section 11126(e) of the Government Code, the Board will move into closed session to receive advice from legal counsel in the following matter:
Atkinson Contractors LP, et al. v. Registrar of Contractors of the California Contractors State License Board, et al., San Francisco Co. Sup. Ct, Case No. CPF-18-516374.

RETURN TO OPEN SESSION

J. Adjournment

The mission of the California Contractors State License Board is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.

NOTICE: The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification to participate in the meeting may make a request by contacting Phyliz Jones at (916) 255-4000 or Phyliz.Jones@cslb.ca.gov or sending a written request to Phyliz Jones at the California Contractors State License Board, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.



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1:00 p.m. – 5:00 p.m. (or upon adjournment)
Embassy Suites San Francisco Airport
250 Gateway Blvd.
South San Francisco, CA 94080**

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AGENDA ITEM A

Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

Board Member Roster

KEVIN J. ALBANESE	JOAN HANCOCK
AGUSTIN BELTRAN	MIKE LAYTON
LINDA CLIFFORD	MARLO RICHARDSON
DAVID DE LA TORRE	FRANK SCHETTER
DAVID DIAS	JOHNNY SIMPSON
SUSAN GRANZELLA	NANCY SPRINGER



AGENDA ITEM B

Presentation of Certificates of Appreciation

1. Insurance Commissioner Dave Jones for Long-Standing Partnership and Commitment to Consumer Protection
2. KGO-TV's "7 On Your Side" for Dedication to Consumer and Investigative Reporting



Dave Jones, California Insurance Commissioner



Dave Jones was elected California's Insurance Commissioner in November 2010, and took office two months later, on January 3, 2011. He was re-elected in 2014, the first time since the creation of the office in 1991, that an Insurance Commissioner has been elected to serve two consecutive terms. Prior to 1991, the Governor appointed the Insurance Commissioner.

Commissioner Jones is responsible for directing all functions of the California Department of Insurance (CDI), and its 1,400 employees. CDI is the state agency responsible for regulating California's insurance market.

Insurers collect \$310 billion a year in premiums in California, making it the nation's largest insurance market. Since taking office, Commissioner Jones has secured crucial victories for consumers. Of importance to CSLB is CDI's work investigating insurance fraud. During Commissioner Jones' two terms, CDI's work has led to nearly 7,500 arrests.

CSLB has also benefitted from CDI's Workers' Compensation Insurance Fraud Investigation Program. This program includes funding for enforcement and prosecution activities. Many counties around the state receive grant money from CDI and use it to help prosecute workers' compensation fraud.

Commissioner Jones served in the California State Assembly from 2004 to 2010, where he chaired the Assembly Health Committee, the Assembly Judiciary Committee, and the Budget Subcommittee on Health and Human Services.

From 1994 to 2004, Commissioner Jones served on the Sacramento City Council.

Commissioner Jones began his career as a legal aid attorney, providing free legal assistance to the poor with Legal Services of Northern California from 1988 to 1995. In 1995, Mr. Jones was one of only 13 Americans awarded the prestigious White House Fellowship. He served in the Clinton Administration for three years as Special Assistant and Counsel to U.S. Attorney General Janet Reno.

Commissioner Jones graduated with honors from DePauw University, Harvard Law School, and Harvard University's Kennedy School of Government.



CSLB

PRESENTATION OF CERTIFICATES OF APPRECIATION

Michael Finney & KGO-TV's "7 on Your Side" Consumer Unit



Michael Finney joined ABC7 News (KGO-TV) in San Francisco in 1991. Over the past 27 years, he built the "7 on Your Side" consumer team into one of the top television consumer units in the nation.

Mr. Finney's work is supported by a team of producers, a production assistant, and volunteers who investigate and resolve consumer complaints and answer consumer questions for viewers throughout the San Francisco Bay Area. The "7 on Your Side" team is responsible for returning millions of dollars to consumers.

Over the years, CSLB has worked with the "7 on Your Side" unit on dozens of stories, including a series of stories on one of CSLB's Most Wanted unlicensed contractors. CSLB's Public Affairs Chief Rick Lopes has also appeared on many "7 on Your Side" segments, including several after natural disasters.

The "7 on Your Side" reports also have received many prestigious awards in broadcast journalism, including honors from several press clubs, The National Academy of Television Arts and Sciences, the Radio Television News Directors Association, and the Associated Press. Community groups such as Consumer Action, The Foundation for Taxpayer and Consumer Rights, and The National Association of Consumer Advocates have also honored the unit's work.

In addition to his television duties, for years Mr. Finney has hosted a popular Saturday afternoon call-in show on KGO Radio (810AM).

Mr. Finney is also a best-selling author. His first book, published in 2004, *Michael Finney's Consumer Confidential*, was a top-10 best seller on The Amazon Business list. His 2013 book, *Finney's Finds*, is a guide on where to find funky, fun, and cheap deals in the San Francisco Bay Area.

Mr. Finney, who grew up in the Bay Area, graduated from California State University, Chico.

AGENDA ITEM C

Public Comment Session - Items Not on the Agenda

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). Public comments will be taken on agenda items at the time the item is heard and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board should not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending administrative or criminal action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:
 - (a) The Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or,
 - (b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).
- (3) If a person becomes disruptive at the Board meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.



AGENDA ITEM D

Executive



AGENDA ITEM D-1

Review and Possible Approval of September 20, 2018, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

Board Vice Chair Johnny Simpson called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Thursday, September 20, 2018, at the Contractors State License Board, 9821 Business Park Drive, John C. Hall Hearing Room, Sacramento, CA, 95827.

Board member Michael Layton led the board in the Pledge of Allegiance. A quorum was established.

Board Members Present

Marlo Richardson, Chair
Johnny Simpson, Vice Chair
Kevin Albanese
Augie Beltran
Linda Clifford
David Dias

David De La Torre
Susan Granzella
Joan Hancock
Michael Layton
Frank Schetter
Nancy Springer

CSLB Staff Present

David Fogt, Registrar
Wendi Balvanz, Chief of Testing
Kayla Bosley, Executive Staff
Phyliz Jones, Executive Staff
Michael Jamnetski, Chief of Legislation
John Cleveland, Chief of IT

Rick Lopes, Chief of Public Affairs
Michael Melliza, Chief of Administration
Stacey Paul, Budget Manager
Kristy Schieldge, Legal Counsel
Missy Vickrey, Chief of Enforcement

Public Visitors

Beverly Carr, Politico Group
Nate Bernstein, Next Insurance
Ken Grossbart, AG & R
Martin Herzfeld, Licensed Contractor
Richard Markuson, Western Electrical Contractors Association
Deborah Maus, PHCC
Josiah Young, Pacific Water Quality Association

Terry Seabury, WECA
Myrllys Stockdale, DCA Legal
Phil Vermeulen, CLC
Chris Walker, CAL SMACNA
Jerry Wallace, CPSA
Ted Wait, Norwood Association
Stephen Sands

B. Board Member or Staff Recognition – May Include Oral Presentations Commemorating Achievements and Service

Board Vice Chair Johnny Simpson recognized Laura Zuniga for her work and dedication to CSLB. Ms. Zuniga served CSLB for seven years as the Chief of Legislation and later

as the Chief of Licensing. She was recently appointed Executive Officer of the Architects Board.

Mr. Simpson also recognized numerous CSLB staff from Enforcement, Licensing, Administration, and Public Affairs for their assistance with disaster outreach. Board Chair Marlo Richardson recognized Florencia Francisco, a CSLB consumer service representative. In July 2018, Ms. Francisco settled or resolved a record 70 consumer cases.

C. Public Comment for Items Not on the Agenda and Future Agenda Item Requests

There was no public comment.

D. Review, Discussion, and Possible Approval of Proposed 2019-21 Strategic Plan

MOTION: To accept the Executive, Licensing, Enforcement, Legislative, and Public Affairs committees recommendations and adopt the 2019-21 strategic plan. Kevin Albanese moved; Augie Beltran seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

E. Review and Possible Approval of CSLB's Draft 2018 Sunset Review Report Before the California State Legislature

Board Chair Marlo Richardson reviewed each section of the Sunset Review draft report.



Board Chair Richardson reviewed section 1 of the draft report, which includes an overview of the board's background and describes the regulated professions. This section also summarizes legislation the board sponsored or that affects CSLB.

Board Chair Richardson reviewed section 2 of the report, which includes results from the board's annual performance measures and customer satisfaction surveys.

Board Chair Richardson reviewed section 3 of the report, which centers on program expenditures, budget distribution, revenues, and reimbursements. This section also covers CSLB budget change proposals requesting additional staff, vacancy rates, and staff training and development.

Board Chair Richardson reviewed section 4 of the report, which discusses implementation of an online licensing feature to file workers' compensation and general liability certificates and application cycle times. Registrar Dave Fogt reported on two proposals in the report to remove barriers to licensure: 1) to allow 45 days for CSLB to receive and process liability policies from limited liability companies (LLCs); and 2) to extend the record reconciliation period between Secretary of State and CSLB from 30 days to 60 days.

Public Comment:

Phil Vermeulen, from CLC, suggested extending the period to report to CSLB the death of a member of the personnel of record. Board Chair Richardson replied that his recommendation (and any other related recommendations) will be considered.

Board Chair Richardson discussed section 5 of the report, which includes Enforcement program statistics related to performance targets and expectations, enforcement efforts, disaster response, and the arbitration programs. Chief of Enforcement Missy Vickrey mentioned that an increase in the number of monthly complaints and the redirection of staff to assist with consumer outreach and enforcement efforts related to natural disasters, means the Enforcement division may need additional staff.

Board Member Comment:

Board member Joan Hancock asked for clarification about the increase in solar complaints to CSLB. Ms. Vickrey stated there has been a 47 percent increase in the number of complaints in 2018 as compared to 2017.

Board member Frank Schetter asked how many additional personnel the Enforcement division is requesting. Ms. Vickrey replied that Budget Manager Stacey Paul will perform a workload analysis, which will determine the number of positions needed. Mr. Fogt added that the need for more staffing will be covered in more detail when the "new issues" section of the report is reviewed.

Staff Comment:

Budget Manager Stacey Paul added that she will begin to develop the budget change proposal in early 2019 and perform a workload analysis.

Public Comment:

Richard Markuson, Western Electrical, mentioned that the draft Sunset Review Report includes a proposal for a fee for electrician certification and recommended including a surcharge fee for solar contractors, as the revenue could support enforcement efforts.

Mr. Fogt mentioned that CSLB plans to rejoin the Franchise Tax Board's intercept program to collect on outstanding liabilities (civil penalties and cost recovery) from both licensed and unlicensed contractors.

Board Chair Richardson reviewed section 6 of the report, which covers the public information policies related to the CSLB website and the posting of materials and meeting webcasts. This section also discusses complaint disclosure policies and the posting of accusations and disciplinary actions, as well as publicly available information and consumer outreach and education efforts.

Board Chair Richardson reviewed section 7 of the report, which addresses license requirements for internet business practices.

Board Chair Richardson reviewed section 8 of the report, which discusses CSLB's effort to educate applicants, licensees, and consumers through outreach that includes monthly licensing workshops.

Board Chair Richardson reviewed section 9 of the report, which covers current issues affecting the board.

Board Chair Richardson reviewed section 10 of the report, which centered on 16 prior issues from the 2014 Sunset Review Report and the board's response to these issues. Mr. Fogt provided status updates on the 16 issues.

Board Member Comment:

Board member Kevin Albanese noted his interest in the idea of a solar surcharge, as suggested by Mr. Markuson during public comment, and his support for extending the period to report the death of personnel of record to 180 days, as suggested by Mr. Vermeulen during public comment. Mr. Albanese also suggested reevaluating the egregiousness of Business and Professions Code section 7031.

Legal Counsel Comment:

Kristy Schieldge explained that the notice and cancellation requirements are pretty consistent among the boards with respect to the death or incapacity of licensees, and that such requirements are in place to protect consumers and to ensure the licensee is operating with a qualified individual running the business. She explained that under the law only the notice must be submitted within 90 days after the death of an individual licensee, but that the immediate family members of the licensee could make a request



to the board to complete projects in progress for an additional “reasonable amount of time” as determined by the rules of the board.

Mr. Albanese noted that the board should maintain its commitment to consumer protection but that, unlike many other boards CSLB licenses mostly entities not individuals and that the death of a qualifying individual effects more than just the one person.

Board Chair Richardson reviewed section 11 of the report, which addresses new issues identified by the board and presents recommendations and solutions to the Assembly and Senate committees. Mr. Fogt reviewed the new issues: a possible remodeling license classification; mandating workers’ compensation for additional classifications (other than roofing); addressing injuries and fatalities among tree care workers; LLC policies regarding the Office of the Secretary of State; increasing staffing; suspending licenses with qualifiers who have unsatisfied judgements; and increasing the renewal fee for C-10 (Electrician).

Board Chair Richardson reviewed section 12 of the report, which serves as an index for the attachments to the report.

MOTION: To approve the draft of the 2018 Sunset Review Report, to authorize staff to incorporate board member recommendations and make final edits, and to delegate to the Board Chair authority to approve any changes to the report, and to submit the report to the Legislature by December 1, 2018. Linda Clifford moved; David De La Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

F. Legislation

1. Review and Possible Approval of August 3, 2018, Legislative Committee Meeting Summary Report

MOTION: To approve the August 3, 2018 Legislative Committee Meeting Summary Report. Augie Beltran moved; Nancy Springer seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

2. Update and Discussion on Development of Supplemental Residential Solar Energy System Disclosure Document (Business and Professions Code section 7169) and Stakeholder Workshops

Legislative Committee Chair Linda Clifford introduced the solar energy system disclosure document. Chief of Legislation Mr. Jamnetski reported that CSLB will begin to enforce the requirement to include first page of the solar disclosure document in contracts beginning January 1, 2019. He also noted that the Public Utilities Commission is collaborating with CSLB to complete the remainder of the document and that CSLB held a stakeholders' meeting on August 24, 2018, to review the draft document.

3. Update on Previously Considered 2017-18 Pending and Enacted Legislation

a. SB 721 (Hill) (2017) Contractors: Decks and Balconies Inspection

Legislative Committee Chair Linda Clifford presented this bill, which requires the inspection of multifamily dwellings with elevated external elements. The bill identifies "A" General Engineering, "B" General Building, and C-5 Framing and Rough

Carpentry contractors as qualified inspectors. Governor Brown signed this bill on September 17, 2018.

b. SB 981 (Dodd) (2018): Home Solicitation Contract Offers: Water Treatment: Contractor Responsibilities

Legislative Committee Chair Linda Clifford discussed this bill, which authorizes the installation of water treatment systems within the 3-day right to rescind period.

Public Comment:

Josiah Young, Pacific Water Quality Association, encouraged the board to support the bill.

Legal Counsel Comment:

Kristy Schieldge explained that her prior concerns with the bill's conflict with the Federal Truth and Lending Act and the board's law at Business and Professions Code section 7163 appear to have been addressed by the author's most recent amendments (see pages 73 and 74 of the board packet). She specified that if there is financing offered by the contractor or a security interest taken in the home as part of the service, current federal and state law prohibits the water treatment system from being installed within the 3-day rescission or right to cancel period even if the consumer "waives" the period or consents to an earlier installation. In addition, she explained that under current California law, these devices cannot be installed during the 3-day right to cancel, even if there is no security interest in the consumer's home. The bill, as amended, seeks the ability for these types of contractors to install within the 3-day right to cancel if there is no security interest in the home or financing by the contractor as part of the contract. The question is whether the board, from a policy perspective, agrees with that proposed change in California law.

Board Member Comment:

Board member Joan Hancock asked for more background about why this issue is before the board, since water treatment systems are not urgent or emergency equipment that cannot wait three days for installation.

Public Comment:

Deborah Maus, Plumbing, Heating and Cooling Contractors of California, stated that her organization supports the bill and will make efforts to ensure that its members have knowledge about the bill's requirements and that consumers are made whole if, after an installation, they rescind a contract within the 3-day period.

Board Member Comment:

Board member David Dias asked for a staff recommendation. Mr. Jamnetski recommended that the board review the authors' changes to the bill to determine if they address the board's prior concerns.



Board member Mike Layton said he does not believe the amendment overcomes the need for a 3-day waiting period and that he continues to oppose the bill. Board member Joan Hancock expressed agreement with Mr. Layton that the amendment does not adequately address the consumer protection concerns, but merely makes the bill compliant with federal policy.

Board member Kevin Albanese asked if the authors made the board's requested changes to the bill. Mr. Jamnetski clarified that the authors restored the Federal Truth in Lending Act provisions to the bill. Ms. Clifford added that the bill still allows for installation during the 3-day waiting period for installation.

Public Comment:

Josiah Young said that amendments were made to the bill to uphold consumer protection and that it is the seller's responsibility to bear the cost of removal if a system is installed during the rescission period and the consumer cancels the contract.

Board Member Comment:

Board Chair Marlo Richardson asked why, if the board previously opposed the bill, the board also proposed changes to the bill language. Mr. Jamnetski clarified that the board did not specifically request any amendments but, rather, that CSLB listed the board's concerns in its June 2018 opposition letter and that this led to changes by the bill's authors.

Public Comment:

Josiah Young mentioned that the board's reaction to the bill led their organization to work with the authors to attempt to make the changes.

The board remained opposed to the bill; no further action was taken.

c. SB 1042 (Monning) (2018): Contractors: Violations – Authority to Hold Informal Citation Conferences

Legislative Committee Chair Linda Clifford presented this bill, which gives CSLB authority to hold informal citation conferences. The Governor signed the bill on July 16, 2018.

d. SB 1087 (Roth) (2018) Property Assessed Clean Energy Program

Legislative Committee Chair Linda Clifford presented this bill, which provides improved consumer protection when homeowners are solicited for Property Assessed Clean Energy (PACE) financing for energy efficiency home improvements. The board previously took a support position on this bill, which is currently before the governor. No further action was taken.



Mr. Fogt mentioned that the new consumer disclosure requirement information will be available on the website and that staff will work with Chief of Public Affairs Rick Lopes to distribute an industry bulletin.

e. SB 1465 (Hill) (2018) Contractors: Reporting Requirement

Legislative Committee Chair Linda Clifford presented this bill, which requires that insurers and licensees report final civil settlements, judgments, and arbitration awards to CSLB for damage claims that exceed \$1,000,000 for structural defects to multifamily residential rental dwellings. The board previously took a support position on this bill, which the Governor signed on September 18, 2018.

f. AB 2705 (Holden) (2018): Contractors: Violations – Failure to Secure Workers’ Compensation; Statute of Limitations

Legislative Committee Chair Linda Clifford presented this bill, which increases the statute of limitations to two years to prosecute unlicensed contractors for failure to secure workers’ compensation insurance for employees. The Governor signed the bill on September 10, 2018.

g. AB 2138 (Chiu and Low) (2018) Licensing Boards: Denial of Application: Criminal Conviction

Legislative Committee Chair Linda Clifford presented this bill, which prohibits denying a license based solely on a criminal conviction. The board held a special board meeting on August 14, 2018, to discuss this bill and authorized staff to work with the authors to make amendments. Changes to the bill included delaying implementation to July 1, 2020, to provide time to develop regulations that define substantial crimes related to the function duties and responsibility of the contractor; and the ability to ask for mitigating information about an applicant’s criminal background. The bill is awaiting action by the Governor. No further action was taken.

h. AB 3126 (Brough) (2018) Contractor’s State License Law: Cash Deposit in Lieu of Bond

Legislative Committee Chair Linda Clifford presented this bill, which seeks to eliminate the use of a cash deposit in lieu of a contractor’s bond. The board previously voted to support this bill, which is awaiting action by the Governor. No further action was taken.

The Board recessed at 10:31 a.m.

The Board reconvened at 10:39 a.m.

G. Licensing

1. Review and Possible Approval of August 3, 2018, Licensing Committee Meeting Summary Report

MOTION: To approve the August 3, 2018, Licensing Committee meeting summary report. Linda Clifford moved; David De la Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

2. Licensing Program Update

Licensing Committee Chair Frank Schetter reported that all application processing units had processing times of between two and three weeks.

Mr. Fogt reviewed statistics on the number of applications received and processed, as well as workers' compensation exemptions, experience verification, call center wait times, and public restitution. Licensing management recommended that future board packets not include statistics from 2014 to the present because of recent changes in processing and how staff evaluates experience requirements. Beginning in 2019, updates will be based on a 12-month reporting period.

Board Member Comment:

Board member Joan Hancock asked when the board should expect to have a new Licensing Chief. Mr. Fogt said an announcement will be made next week.



Board member Linda Clifford agreed that changing statistical updates to 12 months would provide more effective information than statistics from the prior five years.

3. Testing Program Update

Chief of Testing Wendi Balvanz reported that Testing released a new C-47 General Manufactured Housing exam. Testing is currently undergoing four occupational analyses and developing nine trade exams.

Board Member Comment:

Board member David Dias asked if the C-47 exam included any California mechanical codes. Ms. Balvanz responded that the majority of questions relate to the federal codes because manufactured housing is heavily regulated at the federal level.

Board member Augie Beltran asked if the exam is for the manufacturers or for the installers. Ms. Balvanz clarified that the exam is for installers.

Board member Nancy Springer emphasized that installers must meet two sets of codes when installing a manufactured home --- for the home itself and for utility and foundation hook-up.

4. Review, Discussion, and Possible Action Regarding Development of a New Remodeling and Home Improvement License Classification

Registrar David Fogt provided an update on a possible remodeling and home improvement classification. He reported that starting October 1, 2018, "B" General Contractor applications will be tracked so that if an applicant fails to reach the examination stage staff can determine why the application was denied, voided, or withdrawn. Staff will also conduct a preliminary occupational analysis for a remodeling classification. A report will be presented at a stakeholders meeting to determine if there is a need for remodeling classification.

Board Member Comment:

Board member Nancy Springer commented that a new remodeling classification would be a progressive move, because this is a large issue in the underground economy. If this new classification led to more licensed contractors, consumer protection would be enhanced.

Board member Susan Granzella noted her appreciation for the quality of the staff presentation on this issue.

Board member David Dias expressed concern that contractors in this new classification may overstep their scope of work and act as "B" contractors.

**Public Comment:**

Phil Vermeulen expressed his support for developing an additional classification to make a fair market for licensees. He mentioned that many unlicensed contractors already overstep their abilities, but that a new classification could encourage more legal activity.

Richard Markuson, Western Electrical Contractors Association, said that he supports some of the opinions expressed, but that electrical contractors are concerned about another classification performing electrical work. He requested that if the new classification includes electrical work that it should also require electrician certification.

Board Member Comment:

Board member Augie Beltran agreed with Mr. Markuson's recommendation about certified electricians and suggested that gas work also be performed by a qualified contractor.

Board member Joan Hancock mentioned that support from the California Building Officials (CALBO) on this matter is important so that proper inspections are performed and permits obtained.

MOTION: To direct staff to meet with industry stakeholders to develop a proposal regarding a new remodeling and home improvement license classification to present to the full board for review and consideration. This is fully formed motion from the Licensing Committee. The motion carried unanimously, 12-0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

**5. Update on the Regulatory Proposal to Develop a C-License Classification for Tree Service Contractors**

Licensing Committee Chair Frank Schetter reported that staff has developed timelines to develop regulations and a trade exam for a specialty tree service license classification. Staff will hold stakeholder meetings and develop regulatory text by January 2019.

6. Review, Discussion and Possible Action Regarding Development of a Tree Worker Safety Certification Program and Legislative Proposals for Enforcing Tree Worker Safety

Registrar David Fogt reported that Division of Occupational Safety and Health (DOSH) has performed additional research and determined that a new certification program is not needed because DOSH training and equipment requirements already exist.

DOSH will take responsibility for investigation and enforcement of their current tree worker safety regulations. DOSH will take action against violators and refer the final orders to CSLB. Legislation will be needed to provide CSLB clear authority to take action against a licensee for violating DOSH's safety requirements in cases that do not meet the current requirement for a serious injury or fatality. In addition, DOSH has requested that any legislative proposal mandate that DOSH refer to CSLB any tree worker violation final orders.

Board Member Comment:

Board member Kevin Albanese said he believes this partnership with DOSH is effective use of partnering opportunities to enhance CSLB enforcement efforts and helps to resolve the concerns stakeholders. He also mentioned conducting simultaneous investigations of the licensees DOSH alleges are in violation to avoid issues with statute of limitations.

Board member Linda Clifford asked for clarity about staff's recommendation. Mr. Fogt stated staff is requesting authority to take disciplinary action against licensees based on DOSH's final orders and, further, require that DOSH send CSLB their final orders for review and consideration of disciplinary action against a license.

Board member David De La Torre asked if the proposed discussion was mute because regulatory language currently exists. Mr. Fogt clarified that the recommendation is to develop language that provides CSLB specific authority to discipline licensees whom DOSH finds in violation and mandate referrals from DOSH to CSLB.

MOTION: To reconsider the board's prior actions to direct staff to develop an arborist health and safety certification program and refer to the Legislative Committee development of a legislative proposal to provide CSLB with authority to discipline a licensee for failure to provide employees who perform defined tree service work with



CAL/OSHA developed training and defined safety equipment. Linda Clifford moved; Augie Beltran seconded. The motion carried unanimously, 12–0.


NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

MOTION: To replace the prior board actions taken earlier this year on this topic and refer the matter to Legislative Committee to develop a legislative proposal to:

1. Mandate that the California Division of Occupational Safety and Health (“DOSH”) transmit to CSLB copies of final citations issued by that agency against a contractor for violations of their safety regulations applicable to tree worker safety.
2. Provide CSLB authority to initiate disciplinary action against a licensee upon receipt of a DOSH finding that a licensee committed violations of tree worker safety requirements.

Augie Beltran moved; David De La Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				

	CSLB	BOARD MEETING MINUTES				
Johnny Simpson	✓					
Nancy Springer	✓					

H. Enforcement

1. Review and Possible Approval of August 3, 2018, Enforcement Committee Meeting Summary Report

MOTION: To approve the August 3, 2018, Enforcement Committee meeting summary report. David Dias moved; Linda Clifford seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

2. Enforcement Program Update

Enforcement Committee Chair Kevin Albanese highlighted statistics from the Intake and Mediation unit and the amount of restitution ordered during the 2017-18 fiscal year. He also gave a brief overview of recent exemplary enforcement cases.

Chief of Enforcement Missy Vickrey highlighted efforts to fill vacancies, the number of legal referrals, and SWIFT statistics. She mentioned that Enforcement is working with DCA SOLID to improve staff training and participation in the joint CSLB/Attorney General's Office enforcement academy. She also reported that staff were surveyed to determine the type of training they need.

3. Update on Solar Task Force Objectives and Activities

Chief of Enforcement Missy Vickrey reported that the Solar Task Force continues to receive on average 75 solar complaints a month. The Task Force has had success with

outreach and partnerships with other state agencies and solar companies to help correct predatory business practices. Ms. Vickrey highlighted some of the recent activity of the Task Force.

Board Member Comment:

Board member Frank Schetter asked if solar systems were being installed on roofs that needed replacement or repair and, if so, if this was considered a predatory practice. Ms. Vickrey said that in some instances the systems are being installed on roofs in poor conditions and that such activity is considered a predatory practice.

I. Public Affairs

1. Review and Possible Approval of August 3, 2018, Public Affairs Committee Meeting Summary Report

Public Affairs Committee Chair Joan Hancock thanked former registrar Stephen Sands for attending the meeting and acknowledged his work developing the staff during his tenure at CSLB. She also expressed gratitude to the Public Affairs staff for their efforts during the post-disaster relief, and to the first responders for their efforts during the disasters. She recognized Registrar David Fogt and Chief Deputy Registrar Tonya Corcoran for their support of Public Affairs and for transferring a vacant position from Executive to Public Affairs to resolve staffing issues.

Ms. Hancock announced that a member of the Public Affairs staff, Ashely Robinson, was recently promoted and is now working for the Department of Managed Health Care and wished her well. Public Affairs welcomed student assistant Zoe Brazil to the team.

MOTION: To approve the August 3, 2018 Public Affairs Committee meeting summary report. Linda Clifford moved; David Dias seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				



2. Public Affairs Program Update

Chief of Public Affairs Rick Lopes highlighted statistics of website access and use; noted that the Enforcement division assisted with several Spanish speaking media stories; and that Public Affairs continues to conduct disaster workshops and Senior Scam Stopper Events.

J. Executive

1. Review and Possible Approval of August 3, 2018, Executive Committee Summary Report


MOTION: To approve the August 3, 2018 Executive Committee meeting summary report. Augie Beltran moved; David De La Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

2. Review and Possible Approval of June 7-8, 2018, Board Meeting Minutes

MOTION: To approve the June 7-8, 2018, Board Meeting minutes. Augie Beltran moved; Linda Clifford seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				

	CSLB	BOARD MEETING MINUTES				
David De La Torre	✓					
David Dias	✓					
Susan Granzella	✓					
Joan Hancock	✓					
Michael Layton	✓					
Frank Schetter	✓					
Johnny Simpson	✓					
Nancy Springer	✓					

3. Review and Possible Approval of August 14, 2018, Special Teleconference Board Meeting Minutes

MOTION: To approve the August 14, 2018, special teleconference Board Meeting minutes. Augie Beltran moved; Linda Clifford seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

4. Update and Discussion on Increasing the Exempt Pay Level for the CSLB Registrar

Board Secretary Linda Clifford reported that the board's request to change the exemption pay level for the registrar from F to C was not approved. She reported that the governor approved a 4 percent salary increase for all exempt positions, effective July 2018, and that effective August 7, 2018, David Fogt received an additional 2.3 percent raise, totaling a 6.3 percent salary increase.



5. Registrar's Report

Registrar David Fogt reported that he attended the National Association of State Contractors Licensing Agencies (NASCLA) meeting and that much of the discussion focused on reducing barriers to licensure. Mr. Fogt said he is working with Licensing management to make process improvements to apply for and maintain a license, without jeopardizing consumer protection.

Mr. Fogt also reviewed the tentative 2018 Board meeting schedule:

- December 13, 2018 – San Francisco, CA

6. Administration Update Regarding Personnel and Facilities

Chief of Administration Mike Melliza reported that in 2018, the number of staff vacancies remained under 30; that the CSLB headquarters lease was approved, which includes building renovations; and that as part of the approved fleet vehicle request, CSLB recently received two of the five requested low/zero emission vehicles.

7. Information Technology Update

Chief of Information Technology (IT) John Cleveland reported that in July 2018, the unit conducted a wireless network infrastructure update, which will allow visitors to connect to CSLB's wireless internet. He also noted that the core operating system for firewall infrastructure was updated for enhanced protection of data and information; that IT made the complaint form available in Spanish on the CSLB website; and that the Norwalk Call Center had their old phone system replaced with the system used by other CSLB offices. Lastly, he reported that CSLB's current IT system meets most business needs, but the unit will continue to work with DCA to make updates for future needs.

Board Member Comment:

Board member Susan Granzella mentioned that CSLB's IT system, with normal updates and system enhancements, is sufficient to meet CSLB's business needs.

8. Budget Update

Budget Manager Stacey Paul reported for fiscal year 2017-18, CSLB spent approximately 93 percent of the budget. CSLB is expected to have two months in reserve for fiscal year 2019-20.

Board Member Comment:

Board member Linda Clifford commented that having only two months in reserve seems low and asked if that was a more conservative projection or if the amount might increase. Ms. Paul responded that the estimate assumes that CSLB will spend its entire budget, though if CSLB continues to revert funds the reserve will increase. Ms. Clifford

inquired about when the projections will need to be updated. Ms. Paul stated there will likely be new projections presented at the next board meeting and that she is currently working on workload and revenue for the governor's budget, which is due in January and will change projections.

Board member Susan Granzella asked when the hearing of the Sunset Review will occur. Mr. Fogt responded that it will likely occur sometime in March 2019.

K. Adjournment

MOTION: To adjourn the September 20, 2018 board meeting. Kevin Albanese moved; David Dias seconded. The motion carried unanimously, 12-0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

Board Chair Marlo Richardson adjourned the meeting at approximately 12:01 p.m.

Marlo Richardson, Chair

Date

David Fogt, Registrar

Date

AGENDA ITEM D-2

Registrar's Report

- a. Update on CSLB's 2018 Sunset Review Report Before the California State Legislature
- b. Review of Energy Storage System Study Timeline
- c. Update on CSLB's 2019-21 Strategic Plan
- d. Update on CSLB's Disaster Response
- e. Tentative 2019 Board and Committee Meeting Schedule





CONTRACTORS STATE LICENSE BOARD

UPDATE ON CSLB'S DISASTER RESPONSE

Protecting California's Disaster Survivors

As a consumer protection agency, and as part of its role regulating California's construction industry, the Contractors State License Board (CSLB) is responsible for protecting those whose homes and property are directly affected by natural disasters. Those could be in the form of earthquakes, floods, wildfires, or other catastrophic events.

CSLB's post-disaster mission is to help ensure that home and business owners are not victimized by unlicensed or unscrupulous contractors who might try to take advantage of them during the recovery and rebuilding process.

Unprecedented String of California's Disasters

Over the past 14 months California has been hard hit by dozens of disasters that have quite literally changed the face of several communities.

The chart below lists State of Emergency Declarations issued for various disasters, including more than two dozen wildfires and resulting mud flows, and three torrential storms.

The declarations have affected 27 different counties: Amador, Butte, Fresno, Inyo, Kern, Lake, Los Angeles, Mariposa, Mendocino, Merced, Mono, Napa, Nevada, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Tulare, Tuolumne, Ventura, and Yuba. Eleven of these counties have received multiple emergency declarations.

Source of Emergency	County / Counties Effected	Date of Declaration
1. Tubbs & Atlas Fires	Napa Sonoma Yuba	10/9/17
2. Cherokee, LaPorte, Sulphur, Potter, Cascades, Lobo, Canyon Fires	Butte Lake Mendocino Nevada Orange	10/9/17
3. Atlas Fire	Solano	10/10/17
4. Winter Storms	Inyo Mono	10/27/17
5. Thomas Fire	Ventura <i>Santa Barbara County Declaration on 12/7/18</i>	12/5/17
6. Creek & Rye Fires	Los Angeles	12/5/17
7. Lilac Fire	San Diego	12/7/17
8. Thomas Fire	Santa Barbara <i>Ventura County Declaration on 12/5/18</i>	12/7/17
9. March Storms	Amador Fresno Kern Mariposa Merced Stanislaus	4/19/18



	Tulare	
	Tuolumne	
10. Pawnee Fire	Lake	6/25/18
11. Klamathon Fire	Siskiyou	7/5/18
12. West Fire	San Diego	7/6/18
13. Holiday Fire	Santa Barbara	7/7/18
14. Monsonial Rainstorm	San Bernardino	7/24/18
15. Carr Fire	Shasta	7/26/18
16. Cranston Fire	Riverside	7/26/18
17. Ferguson Fire	Mariposa	7/26/18
18. Mendocino Complex Fires	Lake Mendocino Napa	7/28/18
19. Holy Fire	Orange Riverside	8/9/18
20. Camp Fire	Butte	11/8/18
21. Woolsey Fire	Ventura Los Angeles	11/9/18

California's Latest Disasters

In November 2018, the state was hit by two devastating wildfires, including the deadliest and most destructive in California history.

Camp Fire

The Camp Fire, which broke out in eastern Butte County on the morning of November 8, 2018, is responsible for the deaths of at least 85 people and the destruction of almost 19,000 structures, including just under 14,000 residences. The town of Paradise was virtually destroyed, and other nearby communities suffered extensive damage. A total of 153,336 acres burned, equivalent to almost 240 square miles.

Woolsey Fire

Just a few hours later and more than 400 miles away, the Woolsey Fire broke out in Ventura County. That blaze, which quickly spread into Los Angeles County, killed three people and destroyed 1,500 structures, while burning through 96,949 acres, equivalent to more than 151 square miles.

CSLB Post-Disaster Response

As staff has reported to the board several times at previous meetings, CSLB invests a significant amount of resource to its post-disaster response program.

The first step in CSLB's response is to staff various assistance centers that are opened to aid survivors. These centers are run by either the Governor's Office of Emergency Services (OES) or the Federal Emergency Management Agency (FEMA).

Currently, CSLB is staffing five assistance centers. Two of these centers are for survivors of the Camp Fire in northern California; three are for survivors of the Woolsey Fire in Southern California. Staff has already met with and assisted hundreds of survivors.



The Camp Fire centers are staffed with people from CSLB's Enforcement and Administrative divisions. The Woolsey Fire centers are being staffed with people from CSLB's Enforcement division, based at offices in both Norwalk and Valencia.

Fire Name Center Location	County	Dates	# of Days	# of Staff Hours
Camp – Chico	Butte	11/16/18 – Present	14	219
Camp – Oroville	Butte	11/23/18 – Present	7	96
Woolsey – Thousand Oaks	Ventura	11/15/18 – Present	10	118
Woolsey – Agoura Hills	Los Angeles	11/17/18 – Present	4	40
Woolsey – Malibu	Los Angeles	11/17/18 – Present	10	103
TOTALS			55	714

Previous 2018 Assistance Centers

Fire Name	County	Dates	# of Days	# of Staff Hours
Pawnee	Lake	6/28/18 – 6/30/18	3	55
Holiday	Santa Barbara	7/9/18 – 7/11/18	3	27
West	San Diego	7/9/18 – 7/11/18	3	28
Klamathon	Siskiyou	7/16/18 – 7/24/18	4	36
Carr	Shasta	8/2/18 – 9/8/18	36	511
Mendocino Complex	Lake	8/10/18 – 9/8/18	17	248
TOTALS			66	905



CSLB's Public Affairs Office (PAO) has played an important support role in the post-disaster effort, putting together, shipping, or delivering materials for distribution at the various centers.

For the Camp and Woolsey Fires alone, more than 37,000 copies of materials have been compiled for distribution through the assistance centers.

Fees Waived for Licensees/Assistance for Applicants

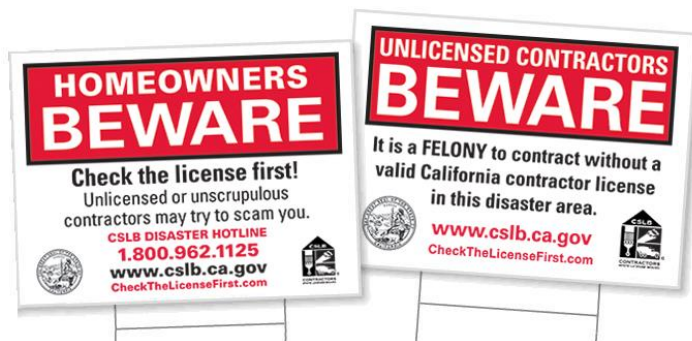
Several CSLB licensees and applicants for licensure are among the disaster victims. In cases where licensees lost their wall certificate and/or plastic pocket license CSLB is waiving replacement fees. CSLB has also waived delinquent fees for failure to renew a license before it expires for fire victims.

Disaster Warning Signs

Another important outreach program is the posting of warning signs through disaster areas. CSLB currently utilizes two different warning signs, with one side in English and the other in Spanish.

One sign warns homeowners that unlicensed or unscrupulous contractors may try to scam them. The other sign warns unlicensed contractors that it is a felony to contract without a valid state license in a disaster area.

English Language Signs



Spanish Language Signs



Teams of staff from CSLB's Statewide Investigative Fraud Team (SWIFT) are charged with posting signs throughout disaster areas.

The signs are posted as part of sweep operations, often conducted with partners from the California Department of Insurance (CDI) and/or local district attorney offices or other law enforcement agencies.

On November 19-20, 2018, Southern SWIFT investigators partnered with CDI investigators to post signs and pass out information to survivors in the Woolsey Fire burn area.

On November 20-21, 2018, Northern SWIFT investigators partnered with CDI investigators to post signs in the Camp Fire burn area. On November 19th, PAO staff placed signs near the entrance of the assistance center in Chico.



Woolsey Fire Sign Posting



Camp Fire Sign Posting





Media Outreach

Another critical component of CSLB's post-disaster program is media outreach. On November 14, 2018, PAO distributed a statewide news release, offering tips and warnings for survivors of both the Camp and Woolsey Fires.



On November 19, 2018, CSLB held a joint press conference with Insurance Commissioner Dave Jones, Butte County District Attorney Michael Ramsey, and Butte County Sheriff Kory Hosea. The group discussed tips for Camp Fire survivors to protect themselves from insurance scams and from hiring unlicensed contractors when they look to rebuild.

The group also put out a warning that anyone caught contracting without a license in the disaster area could face a felony charge, and potentially time in state prison.

Two days earlier, on November 17, 2018, PAO Chief Rick Lopes appeared as a guest on KTLA-TV's Morning News in Los Angeles to provide tips to survivors of the Woolsey Fire, and warnings to unlicensed contractors who may try to work in the burn area.



PAO staff has provided several other interviews to media in both northern and southern California.

The Road Ahead

CSLB's disaster response is a long-term commitment to recovery and rebuilding. As with the many wildfires that have hit the state over the past 14 months, CSLB has additional programs in-place.

These programs include outreach to:

- Local, state, and federal legislators
- Chambers of Commerce
- Community Groups
- Building Departments



- Industry Groups

In addition, plans are being put in-place for CSLB to partner with local agencies, including building departments, to conduct rebuilding workshops. Separate workshops are planned for wildfire survivors and for contractors who hope to get rebuilding contracts respectively.

The goal is to help survivors make informed decisions when hiring a contractor, and for contractors to learn about licensing requirements, the most common mistakes made during construction projects, and to review relevant laws and other legal requirements.

Enforcement staff will continue to conduct operations throughout the rebuilding process. SWIFT investigators will conduct regular sweeps through the burn areas, checking to ensure contractors are properly licensed and insured. As part of its continuing response to last year's fires, in a recent sweep through the Napa and Sonoma County burn areas 11 jobsites were inspected and 11 entities were checked. All contractors were found to be complying with laws and requirements.

Undercover sting operations also are being planned. A sting operation conducted in September 2018, in the Carr Fire burn area in Redding (Shasta County) resulted in nine felony arrests for illegal contracting in a disaster area.

In October 2018, Enforcement Program Manager Chuy Ibarra was named CSLB's Disaster Response Coordinator. By designating a single point of contact, CSLB will be able to provide faster assistance to and better coordination with other government agencies involved in disaster response and recovery efforts.

CSLB also is participating in a joint Federal-State Housing Task Force to address the various issues surrounding both short and long-term housing needs in both the Camp and Woolsey fire areas. Participation helps CSLB better understand the evolving situation and to offer input when any issues arise involving contractors. Currently, the task force meets three times per week.



CSLB

UPDATE ON CSLB'S DISASTER RESPONSE

Camp Fire Images





CSLB

UPDATE ON CSLB'S DISASTER RESPONSE





CSLB

UPDATE ON CSLB's DISASTER RESPONSE

Before and After Images (Courtesy sfgate.com / google.com)





CSLB

UPDATE ON CSLB'S DISASTER RESPONSE



AGENDA ITEM D-3

Administration Update Regarding Personnel and Facilities





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATION UPDATE

PERSONNEL UPDATE

During the first quarter of Fiscal Year (FY) 2018-19, CSLB Personnel staff completed 41 recruitments. This included the addition of nine new employees from other state agencies, seven employees new to state service, and three student assistants. Within CSLB, 11 employees were promoted and eight transferred to different units. Additionally, one Training and Development assignment was accepted, and two testing examination proctors were hired.

Total Number of Recruitments per Quarter – FY 2018-19

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
From other State Agencies	9			
New to State Service	7			
Student Assistants	3			
Retired Annuitants	0			
Promotions	11			
Transfers within CSLB	8			
Training and Development	1			
Examination Proctors	2			
Total Per Quarter	41			

Total Number of Recruitments per Quarter – FY 2017-18

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
From other State Agencies	13	9	14	16
New to State Service	3	7	6	3
Student Assistants	1	2	0	0
Retired Annuitants	0	0	0	0
Promotions	4	14	12	6
Transfers within CSLB	3	14	2	12
Training and Development	0	0	1	0
Examination Proctors	1	0	13	1
Total Per Quarter	25	46	48	38



The number of vacant positions continues to remain low with an average of 26 over the first four months of fiscal year 2018-19. In October, the number dropped to 20 vacant positions. The Personnel unit continues to work closely with CSLB hiring managers and DCA's Office of Human Resources to identify and minimize delays in the recruitment process. These efforts have improved the recruitment process and helped to reduce the number of CSLB's overall job vacancies.

Total Vacancies per Month by Fiscal Year

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2018-19	27	30	27	19.5	---	---	---	---	---	---	---	---
FY 2017-18	45	37	33	31	38.5	34	29	29	29	29	25	28.5
FY 2016-17	48	43	44	45	43	39	45.5	41.5	38.5	38.5	42	45
FY 2015-16	37	37	39	45	40	42	39	39	39	41.5	40	43

Personnel staff are in the process of completing a series of newly required trainings. In August 2018, CalHR mandated specific trainings for Personnel staff which must be completed by July 2019. The training curriculum is designed to ensure staff have the knowledge, resources, and tools to successfully perform their duties in accordance with all applicable civil service laws, rules, regulations, and policies.

The annual Open Enrollment period began September 10 and ended October 5, 2018. During this time, employees were permitted to make changes to their health, dental and vision benefits, which take effect January 1, 2019. The Personnel unit assisted approximately 60 employees process nearly 100 benefit changes.

Between September and November 2018, the Personnel unit coordinated one ergonomic training for staff in the Berkeley office, and two ergonomic evaluations for staff in the West Covina and San Francisco offices. The ergonomics program is designed to identify, prevent and/or correct injuries caused by repetitive job, process, or operation of identical work activity.

The Personnel unit continues to supplement its desk procedure manual with step-by-step directions of various personnel processes and procedures. In November 2018, staff completed its documentation of two additional processes for the manual.



Examinations

DCA and CalHR offer several examinations throughout the year, as shown below:

ENFORCEMENT		
Consumer Services Representative	Last exam date:	June 2018
	Tentative exam date:	December 2018
Enforcement Representative I	Last exam date:	June 2018
	Tentative exam date:	December 2018
Enforcement Representative II	Last exam date:	November 2018
	Tentative exam date:	June 2019
Enforcement Supervisor I/II	Last exam date:	November 2017
	Tentative exam date:	December 2018
INFORMATION TECHNOLOGY		
Assistant/Associate/Staff Information Systems Analyst (CalHR)		Continuous
Systems Software Specialist I/II/III (CalHR)		Continuous
LICENSING AND EXAMINATIONS		
Personnel Selection Consultant I/II	Last exam date:	October 2018
	Tentative exam date:	TBD
Test Validation & Development Specialist I/II	Last exam administered in:	June 2017
	Tentative exam date:	TBD
OTHER DIVISIONS		
Information Officer I, <i>Specialist</i> (CalHR)		Continuous
Management Services Technician (CalHR)		Continuous
Office Services Supervisor II (CalHR)		TBD
Office Technician (CalHR)		Continuous
Office Assistant (CalHR)		Continuous
Program Technician (CalHR)	Last exam administered in:	November 2018
	Tentative exam date:	TBD
Program Technician II (CalHR)	Last exam administered in:	November 2018
	Tentative exam date:	TBD
Program Technician III (CalHR)	Last exam administered in:	November 2018
	Tentative exam date:	TBD
Supervising Program Technician III (CalHR)		Continuous
Associate Governmental Program Analyst/ Staff Services Analyst (CalHR)		Continuous
Staff Services Analyst Transfer Exam	Tentative exam dates:	March/June Sept./December
Staff Services Manager I/II/III (CalHR)		Continuous

**BUSINESS SERVICES UPDATE****Facilities**

Fresno –Tenant improvements have begun. Improvements include:

- Touch-up paint throughout the office;
- Installation of lower plates on all doors;
- Installation of corner guards throughout the office; and
- Installation of an exhaust fan in the breakroom

Projected Completion Date: **January 2019**

Norwalk – CSLB submitted a proposal to build-out four (4) cubicles to house the Special Investigations Unit. CSLB is waiting on the Department of General Services (DGS) approval to proceed with the reconfiguration.

Projected Completion Date: **TBD**

Oxnard – The lease was extended to March 31, 2019. DGS awarded a contract to a general contractor who is in the process of scheduling the requested tenant improvement work. Improvements include:

- Installation of new carpet and paint in the Enforcement and Testing Suites

Projected Completion Date: **May 2019**

Sacramento Headquarters – Tenant improvements are anticipated to begin November 26, 2018. Improvements include:

- New interior paint;
- Installation of new carpet;
- Electrical upgrades;
- Installation of new security kiosk;
- Installation of additional outlet in computer server room; and
- Installation of the new UPS and upgraded door badge readers

Projected Completion Date: **March 2019**

San Diego – Tenant improvements for the Enforcement and Testing suites were completed in October, and the final walk through occurred November 30, 2018. Improvements included:

- New interior paint; and
- Installation of new carpet



Completion Date: **November 2018**

San Francisco – Request for the installation of electric vehicle charging stations submitted to Lessor to determine cost. CSLB is waiting on the Lessor to finish the seismic assessment.

Projected Completion Date: **TBD**

Valencia – Final blue prints have been submitted to DCA/DGS for review. CSLB is waiting on project schedule from DCA/DGS.

Projected Completion Date: **February 2019**

Contracts and Procurement

Contracts in Process:

- The California Highway Patrol (CHP) annual contract to provide security services for various meetings and testing offices is pending DCA approval.
- The California Department of Human Resources (Cal HR) contract to conduct psychological screening services for Peace Officer applicants.
- Procurement and maintenance contract for a new mail inserter machine for the CSLB Mailroom.
- Technofix contract for maintenance on the fax machines in Norwalk is pending approval at DCA.
- Interagency contract with Department of Transportation to allow one (1) of their vehicles to be parked in CSLB's Norwalk vehicle cage.
- Interagency contract with Employment Development Department (EDD) to facilitate sharing of records and database information maintained by EDD, which will increase the efficiency of CSLB enforcement efforts in locating fraudulent employers and encouraging compliance with State laws and regulations.

Procurements in Process:

- Purchase of ergonomic equipment for CSLB Headquarters, such as sit/stand stations, document holders, back supports, keyboards, and footrests.
- Purchase of Olympus Tie-Pin Microphones for Norwalk SWIFT.
- Purchase of six (6) copiers for Sacramento, one (1) copier for Norwalk, and one (1) copier for Oxnard.

Executed Contracts/Procurement:

- Statewide Shredding Services contract.
- CPS HR Consulting Contract amended to extend contract service date.
- Lexis Nexis Matthew Bender contract for the "2019 CSLB Law Books".
- Survey Monkey contract amended to include additional users.

**Fleet**

DGS approved CSLB's fleet acquisition plan requesting replacement of CSLB vehicles that meet DGS requirements. The five (5) vehicles on the 2017/2018 Fleet Acquisition Plan have been approved by DGS.

Two vehicles have been delivered:

- One (1) Honda Clarity was delivered to CSLB Sacramento Investigation South.
- One (1) Toyota Mirai was delivered to Norwalk Investigations.

AGENDA ITEM D-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2018-19 CSLB Budget and Expenditures

Through October 31, 2018, CSLB spent or encumbered \$15.5 million, roughly 24 percent of its FY 2018-19 budget. This chart details CSLB's FY 2018-19 budget, including expenditures through October 2018.

EXPENDITURE DESCRIPTION	FY 2018-19 BUDGET	OCTOBER 2018 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	25,223,000	6,009,534	19,213,466	76.2%
Board Members	16,000	2,400	13,600	85.0%
Temp Help	860,000	143,888	716,112	83.3%
Exam Proctor	41,000	15,130	25,870	63.1%
Overtime	146,000	86,603	59,397	40.7%
Staff Benefits	12,546,000	3,224,731	9,321,269	74.3%
TOTALS, PERSONNEL	\$38,832,000	\$9,482,286	\$29,349,714	75.6%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	17,662,000	4,682,200	12,979,800	73.5%
Exams – Subject Matter Experts	436,000	120,404	315,596	72.4%
Enforcement	9,088,000	1,456,368	7,631,632	84.0%
TOTALS, OE&E	\$27,186,000	\$6,258,972	\$20,927,028	77.0%
TOTALS	\$66,018,000	\$15,741,258	\$50,276,742	76.2%
Scheduled Reimbursements	-353,000	-61,406	-291,594	
Unscheduled Reimbursements		-149,722	149,722	
TOTALS, NET REIMBURSEMENTS	\$65,665,000	\$15,530,130	\$50,134,870	76.3%

❖ Revenue

CSLB received the following revenue amounts through October 31, 2018.

Revenue Category	Through 10/31/2018	Percentage of Revenue	Change from prior year (10/31/2017)*
Duplicate License/Wall Certificate Fees	\$40,276	0.2%	12.9%
New License and Application Fees	\$4,920,565	20.9%	12.4%
License and Registration Renewal Fees	\$17,008,613	72.2%	13.2%
Delinquent Renewal Fees	\$889,589	3.8%	-1.9%
Interest	\$0	0.0%	0.0%
Penalty Assessments	\$655,479	2.8%	23.9%
Misc. Revenue	\$29,698	0.1%	-12.7%
Total	\$23,544,220	100.00%	12.6%

* License & Registrations Renewals Fees are based on 2-year cycle (comparative data is from FY 2016-17, a peak renewal year).

❖ **Fiscal Year 2018-19 CSLB Governor's Budget**

The chart below details the preliminary FY 2018-19 CSLB budget and authorized positions, which was included in the 2018 Budget Bill (Senate Bill 840, Chapter 29, Statutes of 2018).

EXPENDITURE DESCRIPTION	FY 2018-19 Approved Preliminary Budget
POSITIONS	
Authorized Positions	405.0
FY 2018-19 3-Yr Limited Term Positions SB 661 BCP	2.0
TOTAL POSITIONS	407.0
PERSONNEL SERVICES	
Salary & Wages (Staff)	25,223,000
Board Members	16,000
Temp Help	860,000
Exam Proctor	41,000
Overtime	146,000
Staff Benefits	12,546,000
TOTALS, PERSONNEL	\$38,832,000
OPERATING EXPENSES AND EQUIPMENT (OE&E)	
Operating Expenses	17,662,000
Exams	436,000
Enforcement	9,088,000
TOTALS, OE&E	\$27,186,000
TOTAL APPROPRIATION	\$66,018,000
Scheduled Reimbursements	-353,000
Unscheduled Reimbursements	
TOTAL APPROPRIATION with Reimbursements	\$65,665,000

❖ **CSLB Fund Condition**

Below is the fund condition for the Contractors' License Fund, which shows the projected "final" FY 2017-18 reserve (\$15.4 million – approximately 3 months' reserve), along with the projected reversion amounts for current year (CY) 2018-19 through budget year (BY) 2020-21.

<i>(Dollars in thousands)</i>	Projected Final FY 2017-18	Projected CY 2018-19	Projected BY 2019-20	Projected BY+1 2020-21
Beginning Balance	\$16,182	\$15,430	\$15,566	\$14,997
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$16,182	\$15,430	\$15,566	\$14,997
Revenues and Transfers				
Revenue	\$65,637	\$67,884	\$67,507	\$69,441
Totals, Resources	\$81,819	\$83,314	\$83,073	\$84,438
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$62,428	\$63,165	\$63,493	\$63,823
Statewide Pro Rata (State Operations)	\$3,878	\$3,878	\$3,878	\$3,878
Supplemental Pension Payments		\$698	\$698	\$698
Financial Info System Charges (Fi\$Cal)	\$83	\$7	\$7	\$7
Total Expenditures	\$66,389	\$67,748	\$68,076	\$68,406
Fund Balance				
Reserve for economic uncertainties	\$15,430	\$15,566	\$14,997	\$16,032
Months in Reserve	2.7	2.7	2.6	2.8

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1.5% renewal license fee growth, based on prior 2-year cycle.
- 3) Expenditures based on projections with a \$2.5 million in reserve in FY 18-19 and then ongoing.
- 4) Assumes workload and revenue projections are realized for FY 2018-19 and FY 2019-20.



❖ **Construction Management Education Account (CMEA) Fund Condition**

Below is the CMEA fund condition, which shows the projected “final” FY 2017-18 reserve (\$363,000 – approximately 27 months’ reserve), along with the projected reversion amounts for current year (CY) 2018-19 through budget year (BY) 2020-21.

<i>(Dollars in thousands)</i>	Projected Final FY 2017-18	Projected CY 2018-19	Projected BY 2019-20	Projected BY+1 2020-21
Beginning Balance	\$ 249	\$ 363	\$ 313	\$ 263
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 249	\$ 363	\$ 313	\$ 263
Revenues and Transfers				
Revenue	\$114	\$110	\$110	\$110
Totals, Resources	\$ 363	\$ 473	\$ 423	\$ 373
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$0	\$10	\$10	\$10
Local Assistance Grant Disbursements	\$0	\$150	\$150	\$150
Total Expenditures	\$ 0	\$ 160	\$ 160	\$ 160
Fund Balance				
Reserve for economic uncertainties	\$ 363	\$ 313	\$ 263	\$ 213
Months in Reserve	27.2	23.5	19.7	16.0

Notes:

- 1) All dollars in thousands.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2015-16	2016-17	2017-18	2018-19
July	3,398	3,513	2,624	3,478
August	3,419	3,749	3,141	3,761
September	2,955	3,668	3,254	3,418
October	3,484	3,844	3,188	4,550
Total	13,256	14,774	12,207	15,207
		% Change from Prior FY		24.6%

Original Applications Received

	2015-16	2016-17	2017-18	2018-19
July	1,593	1,618	1,197	1,454
August	1,631	1,811	1,141	1,815
September	1,351	1,692	1,624	1,595
October	1,596	1,842	1,429	2,182
Total	6,171	6,963	5,391	7,046
		% Change from Prior FY		30.7%
		% of Apps Rcvd are Original Apps		46.0%

Original Licenses Issued

	2015-16	2016-17	2017-18	2018-19
July	1,155	1,245	1,150	1,394
August	1,098	1,334	1,355	1,616
September	1,030	1,329	1,095	1,377
October	954	1,403	986	1,580
Total	4,237	5,311	4,586	5,967
		% Change from Prior FY		30.1%
		% Licenses Issued of Original Apps Rcvd		85.0%

Licenses Renewed

	2015-16	2016-17	2017-18	2018-19
July	11,584	10,394	8,153	8,307
August	8,611	11,069	9,283	10,544
September	10,292	9,215	9,534	8,173
October	8,501	9,842	8,805	13,154
Total	38,988	40,520	35,775	40,178
		% Change from <i>Peak</i> FY 2016-17		-0.8%

**Original HIS Registrations Issued**

	2015-16	2016-17	2017-18	2018-19
July	894	350	302	476
August	658	581	420	422
September	624	391	405	442
October	533	552	495	549
Total	2,709	1,874	1,622	1,889
		<i>% Change from Prior FY</i>		16.5%

HIS Registrations Renewed

	2015-16	2016-17	2017-18	2018-19
July	167	188	213	328
August	140	271	402	435
September	133	252	302	354
October	152	257	280	461
Total	592	968	1,197	1,578
		<i>% Change from Prior FY</i>		31.8%

License Population by Status

	October 2016	October 2017	October 2018
Active	224,064	225,803	229,599
Inactive	58,849	56,767	55,542
Subtotal	282,913	282,570	285,141
Other*	497,502	510,030	521,428
Expired	424,106	433,828	442,381
Expired % of Other	85.2%	85.1%	84.8%
Grand Total	780,415	792,600	806,569

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

HIS Registration Population by Status

	October 2016	October 2017	October 2018
Active	16,214	17,450	17,949
Other*	70,774	74,356	79,016
Total	86,988	91,806	96,965

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

**Complaints By Fiscal Year**

	2014-15	2015-16	2016-17	2017-18
Received	19,722	18,690	18,875	20,674
Reopened	820	819	971	969
Closed	20,016	19,745	19,390	21,584
Pending (As of June 30)	4,458	4,252	4,734	4,796

AGENDA ITEM D-5

Information Technology Update

- a. Staff Presentation on Data Information Storage and Security





Department of Consumer Affairs Business Modernization Project

The Department of Consumer Affairs (DCA) business modernization project defines the framework that boards and bureaus must follow to ensure that their information technology system requirements are consistent with the state's project approval lifecycle (PAL).

CSLB is unique among DCA boards, in that it develops and maintains its own licensing, enforcement and examination systems. Most business needs are currently met by existing systems. However, needed areas of improvement include, better online services for licensees and consumers, better access to public data for consumers, and enhanced data analytics. To implement these and other enhancements, CSLB will follow the state's PAL process, the first step of which is to document various parameters, such as project stakeholders, business alignment, criticality, project management strategy, and funding. This stage has begun for all improvements. Once approved by the state, the second stage will involve evaluation of the solutions for the project. CSLB IT staff will report to the board quarterly on the status of each stage of the PAL process.

Information Security and Risk

Threats to information security are an ever-present and growing concern to all businesses and forms of government. CSLB classifies its information assets and systems in accordance with Federal Information Processing Standards Publication 199 and assigns risk ratings associated with the effect of a security breach or loss of availability of those systems or data. For example, the effect of a breach or failure of any systems used exclusively to provide access to public data for consumers is low regarding the confidentiality of the data, low-to-moderate for the integrity of the data, and moderate for the availability. Therefore, CSLB rates those systems as moderate and employs appropriate security controls. Likewise, impacts to exam data in those same areas are high, high, and moderate respectively, and would therefore result in an overall high rating and enhanced security controls.

California Government Code section 11549.3 was modified in 2015, to require that the State Office of Information Security (OIS) conduct a minimum of 35 independent security assessments of state entities annually. As a part of the state's rotation, CSLB's security assessment is scheduled for February 2019. CSLB IT security staff are currently reviewing all internal procedures and conducting a mini-self assessment using the same criteria that OIS will use during their assessment.

IT System Enhancements

The following table highlights some of the IT system enhancements that have been implemented in 2018.



IT System Enhancements		
Enhancement	Description	Implemented
Find My Licensed Contractor	Implemented an online service that allows consumers to search for a licensed contractor in a specific classification via city or zip code	January 2018
Licensing: Initial License Fee eForm	Created an eform through CSLB eProcessing that autogenerates and requires minimal manual input, which will reduce errors	April 2018
Norwalk Phone System Upgrade	Replaced the aging, out of support phone system in Norwalk with the same voice over IP system utilized in all other CSLB offices.	May 2018
Online Submission of Exemption from Workers' Compensation	Created an online submission that bypasses the email and workflow and, in real time, updates the license record.	June 2018
License Modification: HIS Return for Correction Letters	Created a letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	July 2018
Wireless Network Replacement	The CSLB HQ wireless infrastructure was aging and no longer supported by the manufacturer. Wireless infrastructure was replaced and expanded to other remote offices.	July 2018
Network Access Control Implementation	Implemented security controls that allow IT to prevent unauthorized connections to the CSLB network.	July 2018
Bond & Fee Letter	Created a bond & fee letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	July 2018
License Modification: HIS Employment/Cessation Return for Correction Letter	Created a HIS employment/cessation return for correction letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	August 2018
License Modification: HIS Surrender/Cancel Return for Correction Letter	Created a HIS surrender/cancel return for correction letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	August 2018
License Modification: Death Notifications Return for Correction Letter	Created a death-notifications return for corrections letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	August 2018
License Modification: Name/Address Change, Return for Correction Letter	Created a name/address change return for correction letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	August 2018
License Modification: Disassociation Return for Correction letter	Created a disassociation correction letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	September 2018
Cashiering: Return Payment Notice	Created a returned payment letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	October 2018
Issuance: Return for Correction Letter	Created an issuance/return for correction letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	November 2018
CBU Investigative Report	Created an e-form through CSLB eProcessing that autogenerates an investigative report and requires minimal manual input, which reduces errors.	November 2018
License Modification: Inactivation Return for Correction Letter	Created an inactivation return for correction letter through CSLB eProcessing that autogenerates and requires minimal manual input, which reduces errors.	November 2018
General Liability Insurance Certificate	Created an online submission process which, in real time, adds the updates to the license record.	December 2018
Network Switching Infrastructure Refresh	Replaced aging, out-of-support network equipment that posed security risks.	December 2018



CSLB IT System “High-Level” Overview

To provide the board a better understanding of CSLB’s network architecture, data classification, recoverability, and information security efforts a network topology diagram appears on the last page of this update.

The CSLB system of record and primary application is called Teale. It is a mainframe-based system that contains both confidential and public data. The confidential data consists of personally identifiable information, as defined in California Civil Code section 1798.29, and test data related to classification exam results. This data is safeguarded by the California Department of Technology (CDT) in accordance with a contractual agreement.

The Department of Technology maintains a disaster recovery site approximately 50 miles from its main data center. CSLB uses this site for mainframe system and data recovery, and periodically tests this functionality in conjunction with CDT, most recently in early November 2018. Disaster recovery for non-mainframe systems and data is handled through a combination of server virtualization and backup technology in CSLB’s Sacramento and Fresno hub sites.

The State Data Center also hosts multiple databases that are mini-replicas of CSLB’s production system that contain non-sensitive, or public data that feed look-up services on CSLB’s public website, such as the license look-up and “Find My Licensed Contractor” features. These data replicas are currently being expanded to create a new “public data portal” to allow members of the public to register, query, and download data straight from this service without the need for a Public Records Act request or other manual request. This service is expected to be available by the end of January 2019.

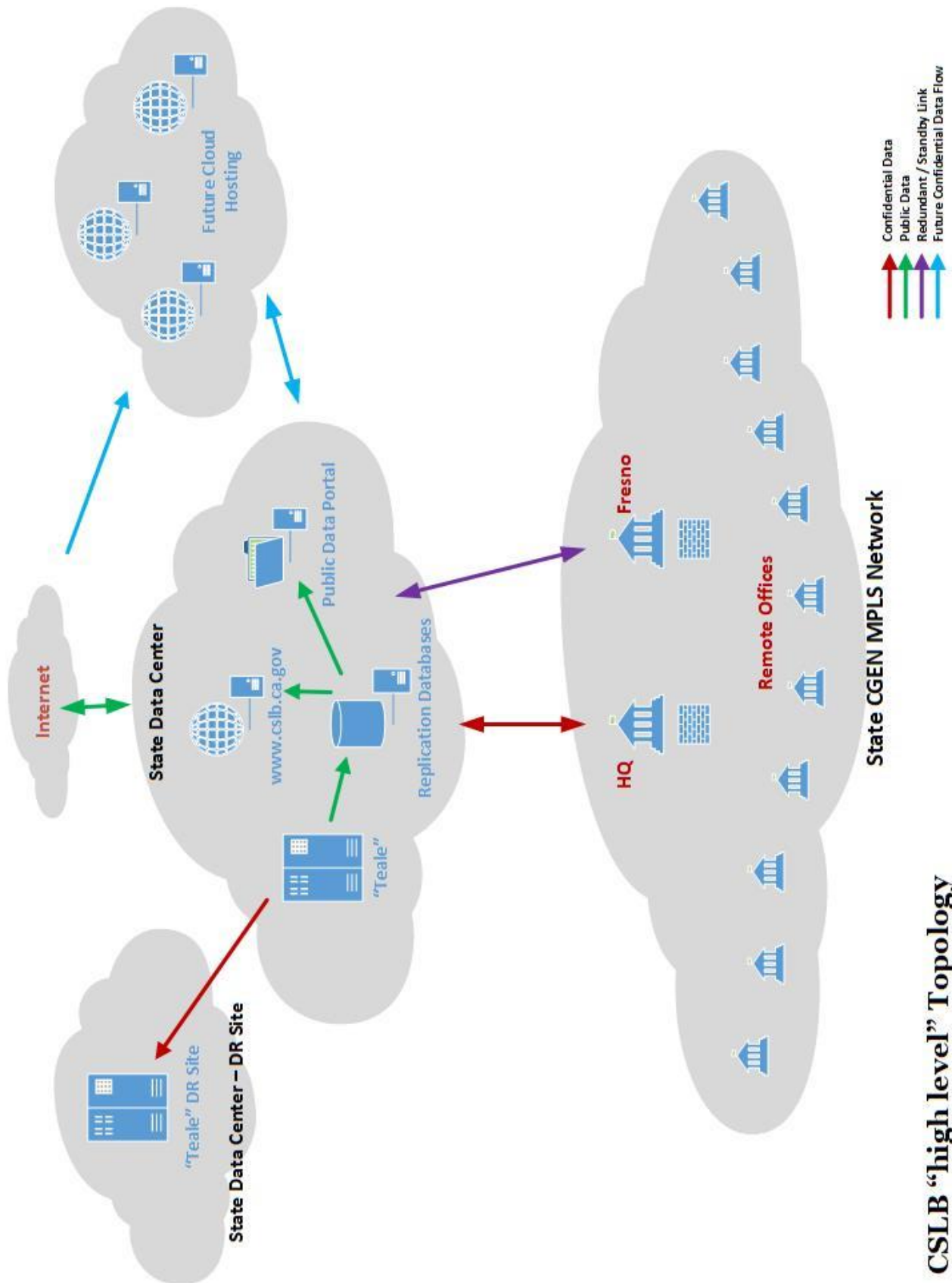
CSLB’s 13 statewide offices connect through the state’s wide area network maintained by CDT. Sacramento and Fresno serve as redundant “hubs,” both with enterprise firewalls to monitor and control the flow of data among all CSLB offices, State Data Center, and the Internet. The data passed between the sites and the data center is confidential, since each office accesses the Teale application. There is also confidential data in the form of intellectual property in CSLB’s testing applications that flow among each of the test centers, headquarters, and the State Data Center.

CSLB IT staff take information security very seriously. CSLB’s classification of data and risk assignment is based on the Federal Information Processing Standards Publication 199 and the National Institute of Standards and Technology Publication 800-39. Security controls are then assigned according to the high-water mark risk ratings for each data type. For example, some systems that do not contain highly confidential data may still have tight controls in place because of the need for high availability or integrity of the data.

As more services are made available online, CSLB will move web infrastructure to various cloud providers. This will require employing enhanced security controls to



safeguard confidential data collected from licensees, ensure the integrity of that data throughout CSLB's systems, and maximize the availability of CSLB's systems and online services.



CSLB "high level" Topology

AGENDA ITEM E

Legislation



AGENDA ITEM E-1

Review, Discussion, and Consideration
of Requirements for CSLB
Implementation of AB 2138
(Chapter 995, Statutes of 2018, Chiu;
Denial of Applications Based Upon
Criminal Convictions)





CONTRACTORS STATE LICENSE BOARD

CSLB IMPLEMENTATION OF AB 2138

Background

Assembly Bill (AB) 2138 prevents CSLB from denying a license based on the conviction of a crime, or its underlying acts, if the conviction has been dismissed or expunged, if the person has made a “showing” of rehabilitation, if the person has been granted clemency or a pardon, or if an arrest resulted in a disposition other than a conviction. In addition, CSLB will only be able to deny an applicant based upon on any other criminal conviction if: a) it occurred within seven years of the date of the application; (b) it was a serious felony as defined in Penal Code section 1192.7; c) it required registration as a sex offender; or d) the crime was a financial crime currently classified as a felony that is “directly and adversely related” to the fiduciary qualifications, functions, or duties of the profession.

AB 2138 also requires CSLB to retain the following data and report it each year on its website and to the Legislature:

- a. Number of applications received for each license type;
- b. Number of applications requiring criminal history inquiries;
- c. Number of applicants with a criminal record who were denied or disqualified from licensure;
- d. Number of applicants with a criminal record who provided evidence of rehabilitation;
- e. Number of applicants with a criminal record who appealed a denial or disqualification from licensure; and,
- f. Voluntarily “deidentified” information on race or gender, of any applicant described in items c, d, or e above.

The Governor approved the bill on September 30, 2018, and it will become effective July 1, 2020.

Items for Consideration

This update is to inform the board of the necessary steps to ensure CSLB is prepared to implement the requirements of AB 2138 by its July 2020 effective date:

1. **Another special board meeting may be required before the March 2019 meeting for the board to approve regulatory text and direct staff to begin the regulatory process.** To ensure timely compliance with AB 2138, a regulatory package with language approved by the board should be submitted to the DCA Regulations Coordinator by the end of April 2019. The affected CSLB regulations are listed below.

**Regulatory Sections that Should be Amended or Adopted**

§ 868. Criteria to Aid in Determining if Crimes or Acts Are Substantially Related to Contracting Business.

[NEW SECTION] § 868.1. Criteria to Aid in Determining if Financial Crimes Are Directly and Adversely Related to the Qualifications, Functions, and Duties of the Contracting Business

§ 869. Criteria for Rehabilitation.

§ 869.5. Inquiry into Criminal Convictions.

§ 869.9. Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure.

2. **Changes to CSLB application forms as well as changes to how CSLB collects applicant information must be made by July 2020.** This includes revising the “Important Notice Regarding Convictions” on the existing CSLB license applications as well as removing the question(s) on the applications dealing with criminal background and requirements for submitting documentation related to the criminal conviction.
3. **Demographic data collection and reporting requirements.** AB 2138 also requires CSLB to report to the legislature certain information about applicants with criminal records who have been denied, including voluntarily provided information about their race and gender. At a future meeting, CSLB staff will bring proposal(s) to the board regarding how this information will be collected (for example, during the application process or after license denials).

This item is informational only and no board action is required at this time.

AGENDA ITEM E-2

Review and Discussion of a Legislative Proposal by the California Pool & Spa Association to Establish a Voluntary Certification Program for Swimming Pool (C-53) Contractors





CONTRACTORS STATE LICENSE BOARD

CERTIFICATION FOR C-53 CONTRACTORS

The California Pool & Spa Association (CPSA) sent a letter November 2, 2018, to Board Chair Marlo Richardson requesting the opportunity to present a legislative proposal to establish an advanced (or master) certification program for swimming pool (C-53) contractors. (CPSA's letter and legislative proposal follow.) CPSA asks that the board consider a legislative proposal that would:

1. Require that CSLB establish a voluntary "advanced" or "master" certification program for C-53 Swimming Pool contractors.
2. Require that CSLB identify in statute the association or organization that would provide the certification training.
3. Require that CSLB establish education and training standards for pool and spa contractors.
4. Require that CSLB provide a continuing education requirement as a prerequisite to a licensee maintaining the certification.
5. Prohibit a licensee that does not hold an advanced certification from advertising that they do.

Continuing Education Statutes and Prior CSLB Action

It is common for trade associations to approach CSLB requesting assistance with trade-specific continuing education (CE) and continuing certification (CC) programs. For background, the statutes governing the role of licensing boards and continuing education and information about prior CSLB action regarding continuing education are discussed below.

Business and Professions Code (BPC) Section 101.6

Provides that the purpose of Department of Consumer Affairs (DCA) licensing boards/bureaus is to ensure that professions are "adequately regulated in order to protect the people of California" by "*establishing minimum qualifications and levels of competency*" (emphasis added).

BPC Section 166

Provides that if any DCA board/bureau requires continuing education programs for licensees, such a program be developed by regulations promulgated by the DCA director (not individual boards).

**September 11, 2012 Board Meeting**

At the September 11, 2012, meeting the board voted unanimously to oppose requiring licensees to complete a continuing education requirement. The conclusion from the staff report on continuing education contained in the August 28, 2012, Licensing Committee packet states:

While many licensed professionals in California have a CE or CC requirement, there is little information available about the effectiveness of such requirements. As noted in the Senate Business, Professions and Economic Development Committee analysis of AB 2189, "there is no empirical evidence that demonstrates a clear conjunction between a continuing education mandate and improved practitioner competence." Without an identified problem with the construction industry that CE would address, and due to the significant cost impact of such a requirement on licensees and the Board, CSLB cannot support a CE requirement.

False, Misleading, or Deceptive Advertising

CPSA's legislative proposal seeks to "prohibit a licensee that does not hold an advanced certification from advertising for such." Pursuant to BPC §7161, CSLB already has statutory authority to take disciplinary action against any licensee that falsely claims to have an advanced certification, which reads in part:

It is a misdemeanor for any person to engage in any of the following acts, the commission of which shall be cause for disciplinary action against any licensee or applicant:

- (a) Using false, misleading, or deceptive advertising as an inducement to enter into any contract for a work of improvement.

Staff Recommendation: The CSLB staff recommendation adopted by the board at its September 11, 2012, meeting, that CSLB not support a CE requirement, has not changed. The current CSLB staff recommendation is to support the September 11, 2012, board action and direct staff to work with industry to enforce BPC §7161 advertising restrictions.

The documents that follow include:

- 2012 CSLB staff report on continuing education
- California Pool & Spa Association (CPSA) letter to Board Chair Marlo Richardson
- CPSA legislative proposal



2012 CSLB STAFF REPORT ON CONTINUING EDUCATION

Summary of Recommended Position

The Contractors State License Board (CSLB) opposes requiring licensees to complete a continuing education requirement as a condition of license renewal.

Background

Many professions, particularly in the health field, have imposed a continuing education (CE) or continuing competency (CC) requirement on licensees. This requirement is generally for a set number of hours of education as a condition of license renewal. CE can be in the form of distance education, online education, attendance at seminars or conferences, or other types of classes.

In the past several years, discussion has focused on the value of CC over CE. CE is generally seen as a way to require licensees to stay current with standards and practices. CC, on the other hand, is a way to measure or verify whether a licensee is still able to competently perform his or her functions. It is broader than CE and may include self-assessment and subsequent reassessment or reexamination of licensees. The discussion of CC has focused on the health fields, primarily nursing and physical therapy. Some professions have turned to CC because they believe there are significant limitations to solely using CE as a way of determining ongoing competency.

The need for both CE and CC is expressed as both public protection and professional development. It is important to note that California licenses for a minimum level of competency; it is not the role of a licensing board to advance a profession. Most CE programs have virtually no way to assess whether the licensee has learned anything through the required CE.

Some proponents of CE believe that failing to regulate the continuing competence of licensees undermines the value of licensing, and the consumer protection that it provides. Additionally, without a form of ongoing education, the licensing system relies too heavily on reactive discipline to ensure licensees are properly performing their duties.

Critics contend that there are other forums, such as private associations and certification, to differentiate more experienced and knowledgeable licensees from those who are less interested in remaining current on professional trends and practice. Also, any additional costs for a licensed profession translate into increased costs to



consumers, possibly without a corresponding benefit. Finally, there are often no tools to measure whether or not CE is accomplishing its goal.

Issues to Consider Before Implementing CE

Any program considering, or being asked to consider, a CE requirement needs to first identify whether there is an existing problem, and, if so, whether or not mandatory CE would help solve that problem. Consideration also needs to be given to the fiscal impact, to both the board and licensees, and whether any potential need justifies that cost.

Specific questions to consider:

1. Is there a clear problem adversely affecting consumers?
2. If so, is CE the best way to address that problem, versus information dissemination of trends/standards, enforcement, or licensing?
3. If so, is there a clear connection between the problem and the solution as proposed by CE? (E.g., if it is disabled access, does the CE address that problem?)
4. If so, does the board have the necessary staff and budget to make the CE effective, or will it need additional resources?
5. If so, is there a clear measurement tool to demonstrate that the CE solves the problem?
6. If so, is the solution worth the costs to licensees, consumers, the board, and the public?

Existing Law on CE Programs

Business and Professions Code section 166 requires the Director of the Department Consumer Affairs (DCA) to develop guidelines by regulation for any mandatory CE programs administered by an entity within DCA. Regulations have never been adopted, but the statute provides that mandatory CE programs administered by any board must address, at a minimum, the following standards:

1. Course validity
2. Occupational relevancy
3. Effective presentation
4. Material assimilation
5. Potential for application

Legislative History



In 2011, Governor Brown vetoed a bill (SB 671) that would have imposed a CE requirement on court reporters. In his veto message, the Governor stated:

This bill would make license renewal for court reporters contingent on continuing education. The whole idea of legally mandated "continuing education" is suspect in my mind. Professionals already are motivated to hone their skills or risk not getting business.

Requiring them to pay fees to "continuing education providers" is an unwarranted burden.

In relation to AB 2189 (Karnette, 2008) for court reporters, Governor Schwarzenegger vetoed this bill, stating:

The proposed continuing education requirements in this bill impose an additional burden on the regulated profession without justifying a compelling need.

DCA also opposed this bill, stating:

The need for the bill has not been adequately justified. DCA is not aware of any consumer harm that has resulted from unqualified CSRs (certified shorthand reporters). DCA further contends that continuing education requirements can have a significant financial impact on licensees, and that absent a compelling need, it seems unreasonable to place this additional burden on the regulated profession. Licensees already need to keep up to date on the latest technologies and laws in order to find employment in a very competitive marketplace.

From the Senate Business, Professions and Economic Development Committee analysis:

The arguments for the bill focus on informing CSRs about changes in laws and regulation, court procedures, and technological advances in the profession. However, the proponents should clearly document the harm that consumers encounter without a mandatory continuing education requirement for licensees.

A mandatory continuing education requirement would generate unspecified costs to licensees and generate corresponding revenues to continuing education providers, which typically are educational institutions and professional associations. The Board would also incur costs in establishing continuing education standards and tracking licensee compliance. In light of the low number of complaints by consumers and enforcement actions against licensees, what is the demonstrated need to mandate continuing education? The proponents



should address the justification for, cost, and availability of such continuing education before going forward with a continuing education proposal.

It may be useful to draw a distinction between continuing education that is undertaken voluntarily by conscientious, motivated practitioners, versus continuing education that is undertaken involuntarily by unwilling or unmotivated practitioners. While continuing education seems intuitively to be highly beneficial to licensees and the consumer public, there is no empirical evidence that demonstrates a clear conjunction between a continuing education mandate and improved practitioner competence.

AB 2482 (Maze and Bass, Chapter 76, Statutes of 2008) required physician assistants to complete up to 50 hours of CE every renewal cycle.

SB 1608 (Corbett, Chapter 549, Statutes of 2008) enacted additional requirements to increase voluntary compliance with state and federal laws requiring access to persons with disabilities in any place of public accommodation. Additionally, it required architects to complete CE on disability access requirements as a condition of license renewal.

AB 120 (Cohn, Chapter 540, Statutes of 2006) established CE or CC for physical therapists and physical therapy assistants.

According to the sponsor of the bill, the California Physical Therapy Association:

The primary purpose of mandatory continuing education is to provide consumers some assurance that the physical therapy services they receive from physical therapists and physical therapist assistants are based on the most recent knowledge and understanding available, through new and ongoing education that ensures the best evidence-based practices are being utilized. The sponsors believe that mandating continuing education will ultimately result in a high level of competence which will in turn translate into improved services for the citizens of California.

The Physical Therapy Board had requested authority to establish CE during its sunset review in 2001-2002 and 2005-2006. DCA opposed the request both times, as did the Joint Legislative Sunset Review Committee.

From the Senate Business, Professions and Economic Development Committee's analysis:

While government has struggled with the issue of what steps might be required to assure that licensed professionals maintain continued competency in their profession following initial licensure, generally where any action has been taken it



has been to mandate continuing education. While on its face continuing education would seem to assure that practitioners are exposed to ongoing education related to their profession, the value of mandating continuing education has been questioned in the past. Professional associations often push for continuing education, but these associations also are often providers of continuing education, and therefore financially benefit from a continuing education requirement. Other issues regarding the efficacy of mandating continuing education include the relevance of the courses, assurance of actual attendance, and whether a practitioner will actually participate and learn if compelled (rather than by voluntarily doing so by choice).

Current Requirements

Many of the professions within DCA do have a CE requirement. The majority of these are in the health professions, but some non-health boards do as well, such as the Board of Accountancy and the Architects Board, as well as the Structural Pest Control Board, which is part of the Department of Pesticide Regulation. The professions that do have CE all have an educational component as part of the initial licensing requirement.

Fiscal and Economic Impact

CE imposes a cost on both licensees and the licensing board. The last few boards that have implemented, or have attempted to implement, CE (Physical Therapy, Court Reporters Board, Physician Assistants Committee) have indicated that they could implement the requirement within their existing budget. However, all of these programs are significantly smaller than CSLB, which would not be able to implement such a requirement within existing resources.

Depending upon how the requirement is structured, there could be a significant workload impact. CSLB has approximately 300,000 licensees. If all licensees were required to complete CE every two years as part of their renewal, there likely would be a requirement for staff to audit a certain percentage or a random sample of renewals to verify the requirement is being met. Given the size of CSLB's licensing population, this would require significant additional resources.

Such a requirement would impose a significant financial burden on licensees, as well. They would need to pay to attend the required courses, distance education, or other format, and would need to take time away from work to complete the requirement.

Conclusion

While many licensed professions in California have a CE or CC requirement, there is little information available about the effectiveness of such requirements. As noted in the



Senate Business, Professions and Economic Development Committee analysis of AB 2189, “there is no empirical evidence that demonstrates a clear conjunction between a continuing education mandate and improved practitioner competence.” Without an identified problem with the construction industry that CE would address, and due to the significant cost impact of such a requirement on licensees and the Board, CSLB cannot support a CE requirement.

8/14/2012



November 2, 2018

Marlo Richardson, Chair
Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95827

Dear Ms. Richardson:

The California Pool and Spa Association (CPSA) requests that a new item be added to the Contractors State License Board (CSLB) agenda for the December 13, 2018 Board meeting in San Francisco. The CPSA requests the opportunity to present a legislative proposal to establish an advanced (or master) certification program for swimming pool (C-53) contractors, and for the opportunity for the Board to review and discuss the proposal.

In order for the CSLB to evaluate this request, CPSA has developed the enclosed Legislative Proposal which gives the description, background, justification, and draft language for the advanced certification proposal.

A swimming pool or spa is often the second largest purchase that a homeowner will make. The pool or spa, when constructed, becomes part of the real estate and is an intrinsic part of the resale value of the property. Pools and spas contribute to the quality of life and wellbeing of homeowners and their family members.

CPSA believes that there are often wide gaps in the skills, knowledge and abilities of pool and spa contractors to build, install and renovate pools and spas. These gaps are revealed in the large number of complaints made to the Board against swimming pool contractors.

To close these gaps, CPSA is proposing a voluntary advanced or master certification for pool and spa contractors. The C-53 contractor who holds this advanced certification would give consumers greater assurances that it is well-equipped to provide the highest level of craftsmanship, quality and consumer satisfaction in the construction or renovation of a swimming pool or a spa.

If you have questions about this request or if you would like to discuss these matters, don't hesitate to contact me.

Sincerely,

Jerry Wallace
Chairman of the Board of Directors

Protect • Educate • Promote

Legislative Proposal from the California Pool and Spa Association

Subject: Swimming Pool Contractors (C-53) Advanced Certification

Background:

There is a public policy interest in seeking to assure the consumer that well-trained and well-qualified contractors are soliciting homeowners to build and install or renovate swimming pools.

A swimming pool or spa is often the second largest purchase made by a homeowner (only surpassed by the home itself). When constructed, a pool becomes a part of the real estate and is an intrinsic part of the resale value of the property. Pools and spas often contribute to the quality of life of the homeowners and may also provide significant health and wellbeing advantages.¹

Having a well-built pool is an important issue for a third party looking to purchase the home and a tremendous asset to the seller. A poorly constructed swimming pool or spa has the opposite effect. It may lower the resale value or diminish the aesthetic and functional appeal of the home. Pool and spa safety construction is also an important public safety issue. Appropriate access standards, drowning prevention features, proper drains and electrical work must protect not only the owners, but also the users who are often children.

California law, the Contractors State License Law,² provides for contractor licensing in three licensing classifications:³

- A - General engineering contracting
- B - General building contracting
- C - Specialty contracting

The law provides that specialty contractors are such as require special skill and whose principal contracting business involves the use of specialized building trades or crafts⁴ and provides that the CSLB may adopt rules and regulations to effect the classification of contractors.⁵ Accordingly, CSLB regulations provide for a number of specialty classifications including a C-53 swimming pool contractor classification to construct swimming pools, spas or hot tubs, including the installation of solar heating equipment.⁶

¹ National Swimming Pool Foundation (NSPF), Aquatic Health Benefits Bulletin
<https://www.nspf.org/content/aquatic-health-benefits-bulletin>

² Business and Professions Code (BPC), Division 3, Chapter 9 (commencing with Section 7000)

³ BPC § 7055

⁴ BPC § 7058 (a)

⁵ BPC § 7059

⁶ California Code of Regulations, Title 16, Section 832.53

To qualify for a C-53 swimming pool contractor license, a person must have four years of experience performing or supervising swimming pool work and must pass the Swimming Pool (C-53) license examination. There are no educational or specific training requirements in order to qualify for a swimming pool contractor license.

The Swimming Pool (C-53) license examination covers eight major elements of swimming pool and spa construction:⁷

- Planning and estimation
- Shell construction
- Systems installation
- Non-concrete materials and extra features
- Shell finishing
- Commercial installations
- Repair, renovation, removal, and maintenance
- Pool/spa safety and jobsite safety

License examinations are based upon an in-house occupational analysis. CSLB completed the last occupational analysis for the C-53 classification in 2016; the next one will be performed in 2021.⁸

Problem:

Swimming pool and spa industry leaders believe there is substantial amount of substandard pool and spa construction in California by licensed swimming pool contractors. The California Pool and Spa Association (CPSA) believes that in many cases the C-53 licensing examination does not adequately validate the competency of a contractor to construct swimming pools, spas or hot tubs and that a more extensive education and training component is necessary to adequately equip swimming pool contractors to safeguard the health, safety, and welfare of the public and protect the interests of consumers.

The C-53 license examination contains few details regarding construction practices, and construction standards. In addition, the licensing examination is only given at contractor's entrance into the contracting field. Once a contractor passes the examination, the exam does nothing to inform him or her of changes in the laws, practices or standards in the profession. On the other hand, industry certification classes provide much greater detail and furnish contractors a

⁷ Swimming Pool (C53) Examination Guide
<http://www.cslb.ca.gov/Resources/StudyGuides/C53StudyGuide.pdf>

⁸ CSLB Draft Sunset Review Report (pp. 42, 45)
<http://cslb.ca.gov/Resources/BoardPackets/SunsetReport20180920.pdf>

substantive set of knowledge, skills, and abilities to construct, install, renovate, and repair pools and spas at the highest level.

California contains the most diverse geological environment of any state in the nation. Issues with ground stability, geological formations, water supply, and landscape design and construction make swimming pool construction intricately complicated. Changing building codes, and state and local pool and spa construction requirements can easily leave contractors behind, resulting in unacceptable contracting practices.

Rapidly changing technologies which manage pool and spa control systems and sophisticated cleaning and chemical delivery system controls are a significant factor in current pool contracting. Technological advances in lighting, state and local lighting and energy efficiency requirements are also important factors for contractors. The technological aspects of pool contracting will rapidly increase as time passes.

Changing techniques and practices for constructing pools, as well as pool restoration methods are also areas in which contractors can easily fall behind. Differing requirements for commercial installation and residential construction must be clearly understood and maintained by pool contractors.

There are also significant problems in the industry with basic contracting practices. The contract documents used by industry are often inadequate and do not meet the requirements of the Home Improvement Contract Law. As a result, a number of consumer protections and disclosures are left out of contracts, and consumers may consequently be exposed to harm. Another large problem is contractors inadequately managing down payments and the payment schedule. The contractor may take 10% for "permits and engineering," then 30% for excavation, and 30% for shotcrete. The contractor ends up with 70% of the money for the pool and hasn't provided any pool equipment or finishes. Then when problems arise due to poor business practices or project management, the contractor leaves several homeowners with unfinished projects, resulting in large bankruptcies.

The number of complaints against pool and spa contractors further underscores the prevalence of problems in the pool and spa contracting industry. Over the last two fiscal years the CSLB received 469 and 521 complaints respectively against pool and spa contractors. The following table from a September 29, 2018 letter from the Registrar lists those complaint numbers.

Fiscal Year	Total Complaints Filed	# Against Pool and Spa Contractors	% Against Pool and Spa Contractors
2016-2017	14,670	469	3.2%
2017-2018	16,928	521	3.1%

As shown above, in FY 2017-2018 complaints against pool and spa contractors account for only 3.1% of the complaints filed against all contractors. While this seems to be an insignificant number of complaints, when the number of swimming pool contractors are compared to the number of contractors in all licensing classifications, the number of complaints become very significant.

	All CSLB Licenses	C-53 licenses	% of all licenses
Summer 2018 ⁹	361,437	2,862	0.8%

The table above shows the number of C-53 contractors in proportion to all contractors. Proportionally, the C-53 Classification is 0.8% of the CSLB total licensing population. One would expect the complaints filed against pool and spa contractors to be around 0.8%, the same as the proportion of the number of licenses. However, it is almost four times that amount – 3.1% of all complaints. It is a small number of the total, but in reality, it is a huge number of complaints.

Furthermore, when matched to the total number of pool and spa contractors, the 521 complaints in FY 2017-2018 represent 18.2% of all C-53 licenses. By contrast, there were complaints against 4.6% of all other contractor licensees. By proportion, there were nearly four times as many complaints made against C-53 contractors as there were against all other contractors.

	Licenses Summer 2018	Complaints 2017-2018	% of Complaints
Total licenses	361,437	16,928	4.7%
C-53 licenses	2,862	521	18.2%
Licenses except for C-53	358,575	16,407	4.6%

Recommendation:

To address the problems noted above, the CPSA proposes the enactment of legislation which would do the following:

1. Establish a voluntary advanced (master) certification for swimming pool and spa contractors. Authorize those holding the advanced certification to advertise that certification to the public.
2. Require that in order for a C-53 contractor to obtain an advanced certification from the CSLB, that the contractor must first meet certain certification requirements by a pool and spa education and training organization as specified by the CSLB.

⁹ Licensing numbers are from a Breakdown of Classifications in the CSLB Summer 2018 Newsletter, linked here http://www.cslb.ca.gov/Newsletter/2018-summer/Images/Breakdown_of_Classifications.pdf

3. Establish education and training standards, set by the CSLB for the advanced certification. The standards would include improving areas of common problems for pool and spa contractors, equipping contractors to meet the challenges of state and local requirements, including building code requirements, health and safety contracting practices, construction methodologies and technological advancement in pool and spa construction, and business practices (including best practices) for contractors, as well as education on consumer sales and contracting laws.
4. Require that to renew the advanced certification with the CSLB that the C-53 contractor must maintain the certification with the pool and spa education and training organization. Although the Contractors State License Law does not contain any continuing education requirements, maintaining the advanced certification would include an ongoing educational component.
5. Prohibit a contractor that does not hold an advanced (master) certification from the CSLB from advertising that it holds such a certification.

An advanced certification program for pool and spa contractors would raise the performance level of pool and spa contractors. It would give consumers greater assurances that C-53 contractors with the advanced certification are well-equipped to provide the highest level of craftsmanship, quality and consumer satisfaction in the construction or renovation of a swimming pool or a spa. This would serve to increase the level of consumer satisfaction with swimming pool and spa contractors, and to reduce the number of complaints to the CSLB against pool contractors.

Homeowners, business owners, building officials, and builders who subcontract with pool and spa contractors will be able to verify through the CSLB licensing lookup whether a C-53 contractor has the advanced (master) certification from the Board. The advanced certification will come to serve as a “seal of approval” or “gold standard” that swimming pool and spa contractors have achieved a higher level of education and training. Contractors who hold the advanced (master) certification from the CSLB will advertise the certification and invite consumers to verify it through the Board’s licensing lookup. The advanced certification will become a differentiator that identifies the most qualified contractors who are best able to meet the needs of the public and protect the needs of consumers. The advanced certification will give consumers greater assurances when contracting that they are dealing with a quality pool builder who is up-to-date on pool construction practices, equipment technology, new laws and codes.

The advanced certification will bring a higher level of practice for C-53 contractors and increase the level of consumer satisfaction and lower the number

of consumer complaints against C-53 licensees. This will lower investigation and enforcement costs for the Board.

CSLB Questions:

Several questions were suggested by the Registrar regarding new regulatory proposals in his September 28, 2018 letter to John Norwood of CPSA.

1. Will the CPSA certification/enhanced licensing program impose additional licensing requirements on contractors within the pool and spa industry? How burdensome would it be for a contractor to comply with those new requirements?

Reply: The proposal is for a voluntary advanced certification for C-53 contractors. Those C-53 contractors who choose to meet the requirements for certification, and who apply to the CSLB and pay the fee, may be issued and advanced certification from the Board. A C-53 licensee who is issued a certification by the CSLB may advertise that they hold that certification.

Since it is a voluntary certification, pool and spa contractors who do not wish to obtain the advanced certification are not required to go through the certification process or to pay the advanced certification fee to the CSLB.

Those contractors seeking the advanced certification must meet the education and training requirements necessary to obtain the certification.

2. How will the additional regulatory burden be mitigated?

Reply: The proposal would require the CSLB to establish an advanced certification program for C-53 licenses. The burden on the Board would include: establishing the specific criteria for the advanced certification, establishing application, registration, and renewal processes, setting certification fees and renewal fees. These tasks would require the Board to promulgate regulations.

The CSLB would also be required to review applications, and issue advanced certifications to swimming pool contractors who meet the master certification requirements, and to renew certifications every two years for those contractors who meet the requirements to maintain that advanced certification.

Fees paid to the CSLB for the advanced certification would offset costs incurred to the CSLB in establishing the regulations and would pay the costs for issuing and renewing advanced certifications.

3. What additional benefits to the public would the Board expect to see from implementation of these additional requirements?

Reply: C-53 contractors who obtain the advanced certification must meet higher standards of education and training than the minimum requirements to obtain the C-53 specialty license. The advanced certification will involve a focus on addressing and improving areas of common problems for pool and spa contractors, and equipping contractors to meet the challenges of state and local requirements, including building code requirements, health and safety contracting practices, construction and technological advancement in pool and spa construction, and business practices (including best practices) for contractors.

For consumers, the advanced certification will become a “seal of approval” or “gold standard” that C-53 swimming pool and spa contractors have achieved a higher-level education and training. Those who have the advanced certification from the CSLB would advertise the certification and invite consumers to verify it through the Board’s licensing lookup. The advanced certification will become a differentiator that identifies the most qualified contractors who are best able to meet the needs of the public and protect the needs of consumers.

The advanced certification will result in a higher level of C-53 practice, increased consumer satisfaction, and fewer consumer complaints against C-53 licensees. This will serve to lower investigation and enforcement costs for the Board.

4. The current budget and resources of CSLB limit our ability to assume new enforcement mandates. How does CPSA propose to address any potential Board concerns regarding the additional financial resources required for enforcement of this proposal?

Reply: The advanced certification will result in a higher level of C-53 practice and increased consumer satisfaction in pool and spa construction projects. The outcome will be that there will be fewer consumer complaints and fewer enforcement actions necessary against C-53 licensees. This will lower investigation and enforcement costs for the Board.

Board enforcement costs may slightly increase due to contractors (C-53 or other contractors) that do not hold a certification but who advertise that they hold an advanced certification. However, the enforcement process and costs will be streamlined and reduced by the simple verification that the contractor either does or does not hold the certification by the Board.

Costs for the certification program will be offset by fees paid to the Board for the advanced certification and for certification renewal, and reduced complaints and enforcement actions against C-53 contractors.

Proposed Language:

Swimming Pool Contractors (C-53) Advanced Certification

Section 7027.7 is added to the Business and Professions Code to read:

Section 7027.7. (a) On or before January 1, 2001, the board shall establish an advanced certification program for swimming pool (C-53) contractors. The board shall issue a swimming pool contractor advanced certification to individuals, partnerships, corporations, or other combinations or organizations that perform or provide the services of a swimming pool contractor and who are licensed as set forth in Section 832.53 of Title 16 of the California Code of Regulations and who meet the requirements of this Section.

(b) A licensed specialty contractor holding a current and valid swimming pool (C-53) license, may receive an advanced certification from the board by completing all of the following:

- (1) Hold a certification [describe certification] from [describe certifying entity].
- (2) Apply to the board on a form prescribed by the registrar.
- (3) Pay the advanced certification fee prescribed by the registrar.

(c) A swimming pool contractor that holds an advanced certification from the board may represent to the public and advertise that it holds an advanced certification as a swimming pool contractor.

(d) An advanced certification as a swimming pool (C-53) contractor may be renewed upon submission to the board of evidence of meeting the requirements of the [certifying entity] for continued maintenance of the advanced certification, and payment of the renewal fee.

(e) The board by regulation may establish fees for the application, issuance and biennial renewal of the swimming pool contractor advanced certification.

(f) It is a violation of this chapter for a licensed contractor that does not hold an advanced certification as a swimming pool (C-53) contractor as provided for in this section to advertise that it holds that certification.

AGENDA ITEM E-3

Review, Discussion, and Possible Action on Potential 2019 Legislative Proposals

- a. Enforcing Contractor Compliance with Tree-Worker Safety Regulations
- b. Presentation by Cal/OSHA Division of Occupational Safety and Health (DOSH) Staff in Support of Legislative Proposal Regarding Tree Worker Safety Enforcement





CONTRACTORS STATE LICENSE BOARD

POTENTIAL CSLB 2019 LEGISLATIVE PROPOSAL

SUBJECT: As discussed in the 2018 CSLB Sunset Review Report under “new issue” 2, enforcing contractor compliance with tree-worker safety regulations.

SUMMARY: Safety is important in the tree care industry. The Department of Industrial Relations’ Division of Occupational Safety and Health (DIR/DOSH) requires that both employers and employees follow safety regulations when maintaining and removing trees. Current law prevents CSLB from enforcing violations of safety regulations unless serious injury or death occurs. This legislative proposal would allow CSLB to discipline a licensee upon receipt of a final order from DOSH establishing that a licensee failed to provide the proper safety training or equipment to employees, regardless of the severity of the incident.

IDENTIFICATION OF PROBLEM: DIR/DOSH defines tree-trimming as a high-risk industry that demands awareness and precautions on the part of employers to avoid accidents (DIR news release 2017-02, January 11, 2016). DOSH investigation of 70 tree-service accidents that occurred between October 2014 and September 2016, found that 74 percent resulted in worker hospitalization, and that 16 percent of resulted in death.

DIR/DOSH requires that every employer provide safe employment. DOSH tree-safety regulations require that tree-service employers provide proper safety training and equipment to employees. CSLB licensees are primary employers in the tree service industry and must abide by DIR/DOSH safety regulations for the tree-care industry.

Current law allows CSLB to enforce DOSH safety regulations, but only if the licensee’s violation causes serious injury or death. Part of CSLB’s public protection mission includes ensuring that construction is performed safely. CSLB cannot ensure that tree-care work is performed safely if it is required to wait for serious accidents before enforcing the law. CSLB should, instead, have the authority to discipline a license after DOSH finds and supports a violation of tree-safety regulations, such as failure to provide the proper training and equipment, regardless of the severity of the incident. This will promote regular compliance with tree-care safety regulations.

PROPOSED CHANGE: 1) Amend existing Business and Professions Code (BPC) section 7109.5 to allow CSLB to discipline a licensee when DOSH establishes a tree-service safety order violation, regardless of its severity; 2) amend existing BPC section 7110.5 (which requires DIR’s Labor Commissioner to send CSLB violations) to include a similar requirement that DOSH send violations to CSLB; and 3) align the time CSLB has to take disciplinary action provided in BPC section 7110.5 with its statute of limitations in BPC section 7091 (rather than the 180 days provided in existing law). These changes are reflected in the following proposed amendments to existing law.

BPC 7109.5

- (a) Violation of any safety provision in, or authorized by Title 8, Division 1, Chapter 4, Subchapter 7, Group 3, Article 12 of the California Code of Regulations constitutes a cause for disciplinary action without regard to whether death or injury resulted from the violation.
- (b) Violation of any safety provision in, or authorized by, Division 5 (commencing with Section 6300) of the Labor Code resulting in death or serious injury to an employee constitutes a cause for disciplinary action.

BPC 7110.5

Upon receipt of a certified copy of the Labor Commissioner's or the Division of Occupational Safety and Health's finding of a willful or deliberate violation of the Labor Code by a licensee; pursuant to Section 98.9 or 6313.5 of the Labor Code, the registrar shall initiate disciplinary action against the licensee ~~within 180 days of notification.~~ within 18 months from the date of the registrar's receipt of the violation.

IMPACT ON OTHER CSLB DIVISIONS: Minor/absorbable.

FISCAL IMPACT: Pending.

STAFF RECOMMENDATION: That the board approve sponsorship of a legislative proposal authorizing the registrar to discipline a contractor for violating tree-care safety orders upon receipt of a final disciplinary order from DOSH.

AGENDA ITEM E-4

Discussion and Consideration of
Approval of Staff Recommendations
for Legislative Proposals to Make
Minor, Technical, or Non-Substantive
Changes to the Contractors State
License Law (Omnibus, Clean-Up
Bill Request)



AGENDA ITEM F

Licensing



AGENDA ITEM F-1

Licensing Program Update

- a. Application Processing Statistics
- b. Renewal Processing Statistics
- c. Workers' Compensation Recertification Statistics
- d. Fingerprinting/Criminal Background
Unit Statistics
- e. Experience Verification Statistics
- f. Licensing Information Center Statistics
- g. Judgment Unit Statistics
- h. Update on Development of a Possible
New Remodeling and Home Improvement
License Classification



**APPLICATION PROCESSING STATISTICS**

The charts below provide the total number of incoming applications received by the application units each month, quarter, and calendar year.

Total Number of Applications Received Per Month

	2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Original Exam	936	1,043	1,254	1,063	1,166	954	800	1,035	899	1,138	955	1,394
Original Waiver	370	479	736	703	719	447	390	618	555	688	640	788
Add Class	262	247	301	285	374	260	259	308	260	263	308	353
Qualifier Replacer	149	180	185	177	249	198	177	210	206	235	208	241
Home Improvement	604	618	729	725	954	878	853	761	778	937	717	832
Received Per Month	2,321	2,567	3,205	2,953	3,462	2,737	2,479	2,932	2,698	3,261	2,828	3,608
3-Month Totals	Nov - Jan: 8,093			Feb - Apr: 9,152			May - Jul: 8,109			Aug - Oct: 9,697		

Total Applications Received – Prior Calendar Years

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Original Exam	10,185	10,315	11,749	13,471	11,999
Original Waiver	7,364	7,918	8,109	8,603	6,497
Add Class	4,001	3,772	4,176	4,070	3,666
Qualifier Replacer	2,262	2,278	2,462	2,376	2,305
Home Improvement	7,911	10,932	13,945	10,373	9,496
Total Received	31,773	35,215	40,441	38,893	33,963

The chart below provides the total number of applications processed by the application units each month.

Total Number of Applications Processed Per Month

	2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Original Exam	1,363	1,020	2,724	2,920	2,519	2,382	2,447	2,392	2,355	2,292	1,916	2,463
Original Waiver	883	942	1,179	933	1,353	1,245	1,403	1,267	1,305	1,454	1,413	1,317
Add Class	364	388	479	418	615	596	614	559	432	533	425	530
Qualifier Replacer	248	276	288	223	285	345	362	298	281	344	261	316
Home Improvement	840	705	666	723	980	887	828	923	705	935	882	872
Total Per Month	3,698	3,331	5,336	5,217	5,752	5,445	5,654	5,439	5,078	5,558	4,897	5,498

The chart below provides the total number of applications processed by the application units each calendar year.

Total Applications Processed – Prior Calendar Years

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Original Exam	15,061	18,673	17,223	22,035	20,796
Original Waiver	10,888	12,277	12,378	14,190	13,533
Add Class	5,577	5,202	5,314	5,925	5,133
Qualifier Replacer	2,910	2,886	2,945	3,157	3,035
Home Improvement	9,289	12,636	15,240	11,077	10,365
Total Processed	43,785	52,168	53,100	56,384	52,862

Application processing includes one or more of the following tasks:

- Application review is completed; application is returned for correction.
- Application review is completed; application is accepted or “posted” and exam(s) are scheduled.
- Application review is completed; bond and fee notification letter requesting issuance requirement(s) sent.
- Application review is completed; all issuance requirements met and license issued.
- Enforcement division flags a member of the application personnel; application is referred to Case Management.
- Application is referred to Judgment unit; application personnel are matched with an outstanding liability, judgment, or payment of claim on an existing license.
- Application is referred to Family Support unit; member of application personnel is out of compliance with child or family support judgment or order.

CSLB management closely monitors processing times for the various licensing units on a weekly and monthly basis.

The chart below provides the “weeks-to-process” for applications, license transactions, and public information unit documents (i.e. record certification) received each month. “Weeks to process” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

	2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Original Exam	6.8	8.4	9.3	2.7	2.9	2.7	2.7	3.1	2.6	2.4	2.6	2.2
Original Waiver	2.0	2.6	2.3	2.5	3.0	3.1	3.1	2.9	2.7	2.6	1.7	1.3
Add Class	3.3	3.4	3.0	3.0	2.9	2.1	2.1	1.7	1.7	1.9	2.4	2.0
Qualifier Replacer (Exams & Waiver)	2.9	1.9	1.5	1.8	2.2	2.2	1.8	1.6	1.6	1.6	1.6	1.8
Home Improvement	1.8	1.8	1.4	1.3	2.0	1.8	1.7	1.5	1.6	1.9	1.4	1.4
Renewal	4.2	3.5	4.0	3.1	2.9	3.2	2.7	2.2	1.4	2.3	2.6	2.3
Add New Officer	3.0	4.1	3.3	2.4	2.3	1.3	2.5	2.7	2.7	2.7	2.8	3.2
Address/ Name Change	2.3	4.1	2.3	1.8	1.9	1.4	2.7	2.9	2.6	2.4	2.8	3.2
Bond / Bond Exemption	1.1	1.1	1.0	0.9	0.7	1.0	1.0	1.0	0.9	0.8	1.0	1.0
Workers' Comp / Exempt	1.5	1.0	1.6	1.8	2.0	2.6	2.0	1.5	0.9	0.9	1.0	1.0
Certified License History	1.1	1.3	0.2	0.0	0.3	0.2	0.3	0.0	0.2	0.2	0.0	0.5
Copies of Documents	0.3	0.1	0.0	0.0	0.2	0.1	0.0	0.2	0.1	0.1	0.0	0.3
CORI Review*	1.6	1.3	1.2	0.9	1.1	1.2	1.3	1.7	1.8	1.4	1.4	1.6

*Outside CSLB Control—DOJ /FBI timeframe

The time-to-process for applications and renewals includes an approximate two-day processing timeframe that accounts for the required cashiering and image-scanning tasks that CSLB staff must complete before an application or document can be processed.

The chart below shows the average total application processing time from receipt to license issuance. Processing times are most affected by applications that staff returns for correction, which can occur multiple times, as well as the criminal background check. These delays are outside of CSLB's control. The chart does not include the average processing time of voided applications.

Average processing time is monitored whenever any of the following actions occur:

- Received Date to First Returned for Correction – Application review is completed; application is not acceptable and returned for correction.
- Received Date to First Exam – Application review is completed; application is accepted, and exams scheduled.
- Last Exam to Issuance – Exam requirement is met; applicants are sent a bond and fee notice requesting submission of issuance requirement(s).
- Received Date to Issuance – All issuance requirements are met, and license issued.

Average Weeks for Total Processing By Month

		2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
ORIGINAL EXAM	Received Date to First Returned for Correction	5.0	5.0	5.0	5.0	6.0	6.0	5.0	4.0	4.0	3.0	3.0	3.0
	Received Date to First Exam	14.0	14.0	15.0	15.0	14.0	14.0	14.0	13.0	12.0	12.0	12.0	12.0
	Last Exam to Issuance	7.0	7.0	7.0	7.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
	Received Date to Issuance	28.0	29.0	29.0	30.0	25.0	26.0	24.0	24.0	24.0	24.0	25.0	27.0
QUALIFIER REPLACER EXAM	Received Date to First Returned for Correction	2.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0
	Received Date to First Exam	8.0	10.0	9.0	9.0	9.0	11.0	8.0	11.0	8.0	8.0	7.0	9.0
	Last Exam to Issuance	2.0	3.0	2.0	3.0	3.0	3.0	2.0	3.0	2.0	2.0	2.0	2.0
	Received Date to Issuance	13.0	14.0	16.0	14.0	14.0	16.0	12.0	17.0	13.0	12.0	11.0	14.0
ORIGINAL WAIVER	Received Date to First Returned for Correction	2.0	3.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	2.0	2.0	2.0
	Received Date to Issuance	12.0	12.0	11.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0
QUALIFIER REPLACER WAIVER	Received Date to First Returned for Correction	2.0	2.0	1.0	1.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
	Received Date to Issuance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	5.0	3.0	5.0	5.0
HOME IMPROVEMENT	Received Date to First Returned for Correction	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Received Date to Issuance	7.0	8.0	8.0	7.0	7.0	5.0	7.0	6.0	7.0	8.0	7.0	7.0

Note: Approximately 5 percent of all applications processed are pulled for judgment or case management review or have a dishonored check, which affects the overall weeks to process. These applications are not process further until the judgment, enforcement, or cashing issue is cleared.



The chart below illustrates the number of applications received in the previous fiscal years and the final disposition of these applications, regardless of the year they were processed. This is the combined total for all exam, waiver, add class, qualifier replacer, and home improvement salesperson applications. This report allows staff to monitor the disposition of applications and to identify any applications that require special attention.

Disposition of Applications by Fiscal Year

Fiscal Year	Number of Apps Received	Processed & Issued	Voided	Pending*
2016-2017	38,737	24,598	10,748	3,391
2017-2018	39,118	20,132	6,562	12,424

*An application may be classified as pending because:

- The applicant does not pass the exam, but is still within the 18-month window during which he or she must pass the examination.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB's Criminal Background unit.
- The applicant has not submitted final issuance requirements (proof of bond, workers' compensation insurance, asbestos open book examination results, and/or fees).

**RENEWAL PROCESSING STATISTICS**

The charts below provide the number of incoming renewals received by the Renewal unit each month, quarter, and calendar year.

Total Number of Renewals Received Per Month

	2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Reactivation	122	102	119	129	106	128	140	107	113	130	116	149
Active	7,995	7,213	9,242	6,985	7,708	9,708	11,400	8,158	9,036	10,022	8,377	9,090
Inactive	951	1,007	1,101	862	1,243	1,257	1,496	1,079	1,199	1,284	1,121	1,228
Delinquent Active	703	814	941	679	953	958	1,119	926	907	937	938	1,081
Delinquent Inactive	120	136	153	144	183	156	207	138	150	130	150	188
Received Per Month	9,891	9,272	11,556	8,799	10,193	12,207	14,362	10,408	11,405	12,503	10,702	11,736
3-Month Totals	Nov - Jan: 30,719			Feb - Apr: 31,199			May - Jul: 36,175			Aug - Oct: 34,941		

Total Renewals Received – Prior Calendar Years

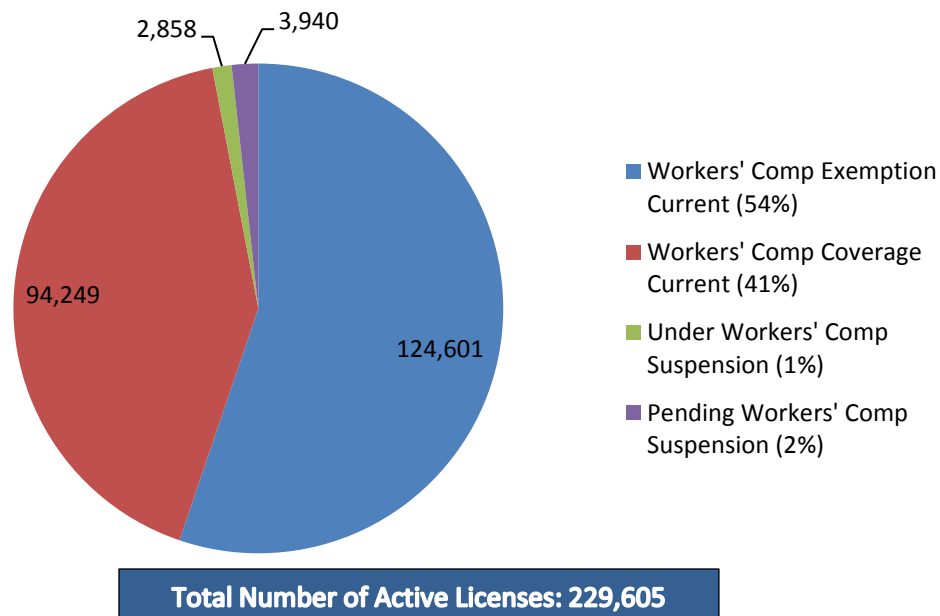
	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Reactivation	2,119	2,052	1,913	1,846	1,558
Active	101,041	108,951	101,774	103,659	97,884
Inactive	16,117	15,732	15,495	16,064	14,280
Delinquent Active	14,018	14,986	12,792	11,853	11,211
Delinquent Inactive	2,018	2,456	2,230	2,195	1,945
Total Received	135,313	144,177	134,204	135,617	126,878

WORKERS' COMPENSATION RECERTIFICATION STATISTICS

The law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify that exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.

This chart provides a snapshot of workers' compensation coverage for active licenses.

Workers' Comp Coverage for Active Licenses - October 31, 2018



The chart on the following page shows the workers' compensation coverage (policies and exemptions) on file as of October 31, 2018, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status – As of Oct 31, 2018**

Classification		Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A	General Engineering	5,465	9,131	14,596	37%
B	General Building	63,219	39,107	102,326	62%
C-2	Insulation and Acoustical	288	869	1,157	25%
C-4	Boiler Hot Water	214	588	802	27%
C-5	Framing / Rough Carp	477	350	827	58%
C-6	Cabinet-Millwork	2,773	1,916	4,689	59%
C-7	Low Voltage Systems	2,055	2,782	4,837	42%
C-8	Concrete	2,547	3,514	6,061	42%
C-9	Drywall	1,207	1,741	2,948	41%
C10	Electrical	14,035	11,169	25,204	56%
C11	Elevator	36	168	204	18%
C12	Earthwork & Paving	1,005	1,368	2,374	42%
C13	Fencing	683	868	1,551	44%
C15	Flooring	3,678	3,419	7,097	52%
C16	Fire Protection	761	1,371	2,132	36%
C17	Glazing	1,123	1,759	2,882	39%
C20	HVAC	6,461	5,340	11,801	55%
C21	Building Moving Demo	513	1,114	1,627	32%
C22	Asbestos Abatement	3	264	267	1%
C23	Ornamental Metal	436	604	1,040	42%
C27	Landscaping	4,778	6,515	11,293	42%
C28	Lock & Security Equipment	159	221	380	42%
C29	Masonry	1,085	1,353	2,438	45%
C31	Construction Zone	42	226	268	16%
C32	Parking Highway	189	306	495	38%
C33	Painting	8,756	6,783	15,539	56%
C34	Pipeline	171	334	505	34%
C35	Lath & Plaster	643	1,149	1,790	36%
C36	Plumbing	8,852	6,593	15,445	57%
C38	Refrigeration	942	960	1,902	50%
C39	Roofing	0	4,284	4,284	0%
C42	Sanitation	378	580	958	39%
C43	Sheet Metal	421	1,046	1,467	29%
C45	Signs	387	486	873	44%
C46	Solar	483	722	1,205	40%
C47	Gen Manufactured House	229	199	428	54%
C50	Reinforcing Steel	66	180	246	27%
C51	Structural Steel	435	1,013	1,448	30%
C53	Swimming Pool	1,122	1,327	2,449	46%
C54	Tile	3,616	2,712	6,328	57%
C55	Water Conditioning	128	181	309	41%
C57	Well Drilling	334	513	847	39%
C60	Welding	541	441	982	55%
C61	Limited Specialty	7,669	9,737	17,406	44%
ASB	Asbestos Cert	309	693	1,002	31%
HAZ	Hazardous Cert	544	1,333	1,877	29%

**FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS**

As mandated in January 2005, CSLB continues to fingerprint all applicants for licensure. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide criminal offender record information to CSLB for in-state convictions and for out-of-state and federal convictions, respectively.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the results are delayed. This does not necessarily indicate a conviction, as sometimes the results reveal a clear record. Most delays are resolved within 30 days; however, some continue for 60 or 90 days, or more often because the DOJ and FBI must obtain court records. Since DOJ and FBI are independent agencies, CSLB has no control over these delays and must wait for the fingerprint results before issuing a license, though staff follow-up with DOJ regarding delayed responses.

Below is a breakdown of CBU statistics for the past six calendar years.

CRIMINAL BACKGROUND UNIT STATISTICS

	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018*	TOTALS
DOJ Records Received	23,268	27,863	32,470	29,189	29,253	142,043
CORI RAPP Received	4,672	5,658	6,926	6,022	5,781	29,059
Denials	32	52	49	62	60	255
Appeals	19	29	26	39	30	143
Probationary Licenses Issued	96	68	90	83	56	393

*As of October 31, 2018



EXPERIENCE VERIFICATION UNIT STATISTICS

Business and Professions Code section 7068(g) and California Code of Regulations 824 require that the CSLB Registrar conduct a comprehensive investigation of a minimum of 3 percent of applications. Such investigations shall include those areas of experience claimed and other areas the Registrar deems appropriate for the protection of the public.

Since implementation in September 2014, the Experience Verification unit staff has been assigned and reviewed 2,791 applications.

The following chart provides a monthly breakdown of actions taken for applications referred to the Experience Verification unit for the past 12 months.

	2017		2018									
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Withdrawn	12	3	9	18	19	13	14	20	8	12	9	11
Verified	18	32	42	31	29	30	37	27	16	13	24	19
Denied	7	14	24	14	7	19	16	19	11	13	14	25
Appealed	2	0	1	2	2	2	1	6	0	0	0	1
Pending	152	153	116	104	91	109	102	99	124	100	83	123

The chart on the next page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification as of October 31, 2018.

**Experience Verification by Classification – As of October 31, 2018**

	Classification	Appealed	Withdrawn	Verified	Denied	Total
A	General Engineering	16	40	50	33	139
B	General Building	88	309	495	410	1,302
C2	Insulation and Acoustical	0	1	4	0	5
C4	Boiler Hot Water	0	0	4	0	4
C5	Framing / Rough Carp	0	1	7	4	12
C6	Cabinet-Millwork	0	3	15	6	24
C7	Low Voltage Systems	0	4	28	3	35
C8	Concrete	0	11	31	16	58
C9	Drywall	2	1	5	9	17
C10	Electrical	6	30	130	49	215
C11	Elevator	0	0	2	0	2
C12	Earthwork & Paving	0	3	11	9	23
C13	Fencing	0	1	5	7	13
C15	Flooring	2	5	28	15	50
C16	Fire Protection	1	3	6	4	14
C17	Glazing	0	6	15	4	25
C20	HVAC	6	15	74	29	124
C21	Building Moving Demo	0	10	4	9	23
C22	Asbestos Abatement	0	3	4	1	8
C23	Ornamental Metal	0	2	3	0	5
C27	Landscaping	4	11	46	28	89
C28	Lock & Security Equipment	0	0	6	0	6
C29	Masonry	0	2	6	6	14
C31	Construction Zone	0	1	0	1	2
C32	Parking Highway	0	2	2	0	4
C33	Painting	3	19	73	30	125
C34	Pipeline	1	0	1	0	2
C35	Lath & Plaster	1	1	6	8	16
C36	Plumbing	7	18	86	29	140
C38	Refrigeration	0	1	3	1	5
C39	Roofing	3	9	15	18	45
C42	Sanitation	0	5	3	3	11
C43	Sheet Metal	0	1	1	0	2
C45	Signs	0	2	6	1	9
C46	Solar	2	4	10	8	24
C47	Gen Manufactured House	0	0	1	1	2
C50	Reinforcing Steel	0	0	1	0	1
C51	Structural Steel	1	1	4	1	7
C53	Swimming Pool	2	7	5	8	22
C54	Tile	0	15	26	11	52
C55	Water Conditioning	0	0	0	0	0
C57	Well Drilling	0	2	6	5	13
C60	Welding	0	3	16	1	20
C61	Limited Specialty	2	18	67	19	106
ASB	Asbestos Cert	0	0	0	0	0
HAZ	Hazardous Cert	0	0	0	0	0
Total		147	570	1,311	787	2,815

Note: The total amount of 2,815 in this chart differs from the number of applications (2,791) the Experience Verification Unit has been assigned and reviewed because some individuals have multiple-class applications.



LICENSING INFORMATION CENTER (LIC) STATISTICS

LIC Support Services

CSLB's Licensing Information Center is the first point of contact for applicants, consumers, licensees, and governmental agencies needing information about licensing laws, hiring a contractor, licensing application information, and the status of an application. The LIC receives, on average, 13,000 calls monthly. Staff that respond to calls must have knowledge of all licensing transaction processes in order to assist callers with correct and complete information.

Inbound Activity	2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Calls Received	11,406	10,243	14,712	12,628	15,010	14,037	14,032	12,508	11,981	13,293	11,218	12,997
Calls Answered	10,958	10,031	13,699	12,194	14,054	12,621	12,731	10,017	10,090	11,375	9,748	11,873
Caller Abandoned	329	169	605	294	626	954	851	1,444	1,139	1,013	826	687
Longest Wait Time	08:40	03:31	05:42	04:33	0:6:13	11:06	11:49	16:52	15:56	14:18	11:26	08:43
Shortest Wait Time	00:20	00:20	00:43	00:39	00:45	0:1:08	00:36	01:41	01:41	01:48	01:22	00:57
Avg. Wait Time	02:08	01:24	03:17	01:58	02:58	04:44	04:19	07:45	6:23	05:31	05:18	03:42

Licensing Information Center Call Data - Prior Calendar Years

Inbound Activity	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Calls Received	151,068	161,986	158,409	163,076	166,918
Calls Answered	145,792	154,837	153,258	158,778	147,074
Caller Abandoned	5,255	6,677	5,124	4,178	16,527
Average Longest Wait Time	04:33	08:24	07:28	05:39	01:36
Average Shortest Wait Time	00:33	00:30	00:19	00:22	00:12
Average Wait Time	02:13	03:29	04:17	02:45	06:46



JUDGMENT UNIT STATISTICS

Judgment unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment unit processes all documentation and correspondence related to resolving issues such as satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
 - Division of Occupational Safety and Health
 - Division of Labor Standards Enforcement
- Franchise Tax Board
- State Board of Equalization
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by bonding (surety) companies.

The charts on the following page provide the number of notifications mailed to licensees related to outstanding liabilities, judgments, and payment of claims affecting their license status, including the savings to the public as a result of compliance.



Judgment Unit

Number of Reimbursement to State Agencies and Public

	2017 Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct
OUTSTANDING LIABILITIES - (FROM CALIFORNIA STATE AGENCIES)												
Initial	62	66	67	69	69	77	138	114	72	73	91	96
Suspend	69	61	62	48	50	60	51	56	116	95	56	66
Reinstate	48	47	62	45	58	49	42	69	66	97	56	60
Total	179	174	191	162	177	186	231	239	254	265	203	222
FINAL JUDGMENTS - (FROM COURT ACTIONS)												
Initial	74	62	45	75	74	64	57	42	35	69	41	42
Suspend	32	35	38	25	22	11	30	27	15	18	19	17
Reinstate	56	69	71	60	66	57	70	52	53	64	33	55
Total	162	166	154	160	162	132	157	121	103	151	93	114
PAYMENT OF CLAIMS - (FROM BOND SURETY COMPANIES)												
Initial	132	112	154	142	136	151	166	163	152	168	143	157
Suspend	76	70	76	57	56	81	80	72	84	79	95	69
Reinstate	100	73	102	113	121	111	133	97	112	128	119	117
Total	308	255	332	312	313	343	379	332	348	375	357	343

Reimbursement Amount to State Agencies and Public

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Outstanding Liabilities	\$14,320,788	\$28,991,003	\$25,435,065	\$21,294,139	\$23,282,397
Final Judgments	\$29,329,867	\$32,989,198	\$45,605,109	\$21,075,805	\$20,175,529
Payment of Claims	\$7,919,426	\$9,193,734	\$9,965,960	\$8,852,480	\$8,850,173
Total Monetary Savings	\$51,570,081	\$71,173,935	\$81,006,134	\$51,222,424	\$52,308,099



State Agency Outstanding Liabilities Collected

	Employment Development Department (EDD)	Franchise Tax Board (FTB)	Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE) Division of Occupational Safety & Health (DOSH) Office of the Director – Legal Unit (ODL)	Board of Equalization (BOE)	Total Liabilities Collected
November 2017	\$1,258,520	\$309,067	\$140,644	\$11,939	\$1,720,170
December	\$1,046,309	\$438,479	\$180,354	\$2,634	\$1,667,776
January 2018	\$982,311	\$392,814	\$191,546	-	\$1,566,671
February	\$902,712	\$490,002	\$446,973	\$7,525	\$1,847,212
March	\$988,422	\$586,983	\$58,036	-	\$1,633,441
April	\$1,624,994	\$681,477	\$72,927	-	\$2,379,398
May	\$1,069,140	\$154,298	\$95,789	-	\$1,319,227
June	\$846,508	\$1,218,931	\$492,359	-	\$2,557,798
July	\$899,865	\$631,441	\$696,394	-	\$2,227,700
August	\$1,580,370	\$1,016,512	\$254,215	-	\$2,851,097
September	\$1,010,798	\$567,783	\$163,229	\$4,301	\$1,746,111
October	\$1,403,441	\$925,250	\$361,241	-	\$2,689,932
TOTALS	\$13,613,390	\$7,413,037	\$3,153,707	\$26,399	\$24,206,533



Update on Development of a Possible Remodeling and Home Improvement License Classification

At its September 2018 meeting, the board directed staff to meet with industry stakeholders to develop a proposal regarding a new remodeling and home improvement license classification to present to the full board for review and consideration.

Since that meeting, the Testing division conducted a preliminary occupational analysis using subject matter experts to gather an industry perspective about multi-trade work contractors can perform in the remodel/home improvement trade without the framing and carpentry experience required of “B” General Building contractors.

Beginning October 1, 2018, the Licensing division implemented new coding protocols to track the specific reasons a general building contractor application is denied because of work experience requirements. Because applicants are given 90 days to provide additional information to CSLB when requested before it is “voided,” staff need 120 days of coded data to determine the percentage of October 2018 applications that involved complications related to the experience review process. This data will be available at the end of December.

Staff plans to present this data and other information to help determine if there is a need for this new classification at a stakeholder meeting on January 22, 2019. Based on feedback received at this meeting, staff will present an update at a February 2019 Licensing Committee meeting and to the board at the March 2018 meeting. Staff anticipates holding several additional meetings in the spring and summer of 2019, before presenting a comprehensive proposed new license classification for consideration by the board.

AGENDA ITEM F-2

Testing Program Update

- a. Examination Administration Unit Update
- b. Examination Development Unit Update





CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 46 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response messages received by CSLB related to testing.

Number of Examinations Scheduled Per Month November 2017 - October 2018

Nov 2017	Dec	Jan 2018	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
3,527	3,228	3,373	3,534	4,913	4,153	4,838	4,914	4,944	4,779	4,194	4,594	50,991

CSLB maintains test centers in the following locations:

- Sacramento
- Berkeley
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego

Number of Examinations Scheduled by Test Center November 2017 – October 2018

Test Center	Number of Examinations Scheduled
Berkeley	6,202
Fresno	2,786
Norwalk	13,240
Oxnard	6,080
Sacramento	6,169
San Bernardino	7,717
San Diego	4,492
San Jose	4,305
Total	50,991

EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division's EDU ensures that CSLB's 46 examinations are written, maintained, and updated in accordance with testing standards and guidelines, Department of Consumer Affairs policies, CSLB regulations, as well as federal and California state law.

Occupational Analysis and Examination Development Workload

Licensure examinations are required by law to be updated at least every five-to-seven years. All of CSLB's examination programs meet this standard. The revision



process takes approximately one year and is conducted in two phases: occupational analysis and examination development.

The occupational analysis determines what information is relevant to each contractor classification, and in what proportion it should be tested. This process starts with interviews of a statewide sample of active California licensees in each specific classification. The interviews determine the job tasks performed by contractors in that trade and the knowledge needed to work safely and competently. EDU staff then conduct two workshops and a large-scale online survey with a larger number of licensees, who act as subject matter experts. The result is a validation report which includes an examination outline that serves as a blueprint for constructing exam versions/forms.

The examination development phase involves numerous workshops with subject matter experts to review and revise existing test questions, write and review new test questions, and determine the passing score for exams from that point forward.

EDU released a new examination in November 2018: C-21 Building Moving and Demolition.

Examination Programs in Progress as of December 1, 2018

Occupational Analysis	Examination Development
B General Building	C-10 Electrical
C-5 Framing and Rough Carpentry	C-13 Fencing
C-35 Lathing and Plastering	C-22 Asbestos Abatement
C-51 Structural Steel	C-34 Pipeline
	C-38 Refrigeration
	C-45 Sign
	C-50 Reinforcing Steel
	C-55 Water Conditioning
	C-60 Welding

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process.

Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email one month after the initial request is sent.

An annual Consumer Satisfaction Survey Report is produced each spring.

AGENDA ITEM F-3

Update on Development of a C-License Classification for Tree Service Contractors





CONTRACTORS STATE LICENSE BOARD

DEVELOPMENT OF A C-LICENSE FOR TREE SERVICE

Background

At its April 2018 meeting, the board adopted a motion to develop a specialty “C” license classification for tree service and/or arborist work. At the September 2018 Board Meeting, the Licensing Committee Chair Frank Schetter reported that staff will hold stakeholder meetings to develop regulatory text in January 2019.

Preliminary Occupational Analysis

In preparation for stakeholder meetings in the coming months, the Testing division is finalizing a preliminary occupational analysis using currently licensed C-27 (Landscaping) and C-61/D-49 (Tree Service) subject matter experts, some of whom are active members with the International Society for Arboriculture. This process included input from C-27 subject matter experts in a workshop and numerous job audits of C-27 and C-61/D-49 contractors.

Definition of Current License Classifications

- C-27: “[A] landscape contractor constructs, maintains, repairs, installs, or subcontracts the development of landscape systems and facilities for public and private gardens and other areas which are designed to aesthetically, architecturally, horticulturally, or functionally improve the grounds within or surrounding a structure or a tract or plot of land. In connection therewith, a landscape contractor prepares and grades plots and areas of land for the installation of any architectural, horticultural and decorative treatment or arrangement.”
- C-61/D-49: “[A] tree service contractor prunes trees, removes trees, limbs or stumps (including grinding) and engages in tree or limb guying.”

Next Steps

Staff will hold its first stakeholder meeting on Wednesday, January 16, 2019, to commence the regulatory development process and will then prepare a regulatory proposal for a future board meeting.

AGENDA ITEM G

Enforcement



AGENDA ITEM G-1

Enforcement Program Update

- a. Staff Vacancy Update
- b. Consumer Investigation Highlights
- c. Building Permit Compliance Update
- d. General Complaint-Handling Statistics
- e. Staff Training Update





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

STAFF VACANCY UPDATE

The number of vacancies within the division peaked at 31 in July 2017; however, the current number of staff vacancies is 14. Of these 14 vacancies, seven candidates have been selected and are pending final approval by the Department of Consumer Affairs. The chart below shows the status of the vacant positions.

Position Class	Location	Status
Enforcement Rep I	SWIFT Central	Candidate selected; pending approval
Enforcement Rep I	SWIFT Central	Position posted
Office Technician	SWIFT North	Position posted
Enforcement Rep I	West Covina IC	Candidate selected; pending approval
Enforcement Rep II	Valencia IC	Candidate selected; pending approval
Enforcement Rep I	Valencia IC	Candidate selected; pending approval
Enforcement Rep I	Valencia IC	Position posted
Enforcement Rep I	Valencia IC	Position posted
Enforcement Rep II	Norwalk IC	Candidate selected; pending approval
Enforcement Rep II	Orange County IC	Candidate selected; pending approval
Enforcement Rep I	Orange County IC	Position posted
Enforcement Rep II	Sacramento North IC	Candidate selected; pending approval
Office Technician	Norwalk Special Inv Unit	Position Posted
Consumer Svcs Rep	IMC Sacramento	Position Posted

INVESTIGATION HIGHLIGHTS

Tasks performed by the 214 employees of CSLB's Enforcement division are processing, settlement, and investigation of construction-related consumer complaints. Consumer Services Representatives (CSRs) within the division's two Intake and Mediation Centers (IMCs) receive, process, and – when appropriate – attempt to settle most incoming complaints. If settlement efforts are unsuccessful or a violation of Contractors License Law is suspected, the complaints are routed to one of the division's 10 Investigative Centers (ICs) for a full investigation and possible enforcement action by an Enforcement Representative (ER). Additionally, ERs in the division's three Statewide Investigation Fraud Teams (SWIFT) proactively enforce Contractors License Law through undercover stings and enforcement sweeps in the field. A few of the recent activities and investigations by these division units are highlighted below.



Significant Settlements

“Free” Solar Energy Has High Price

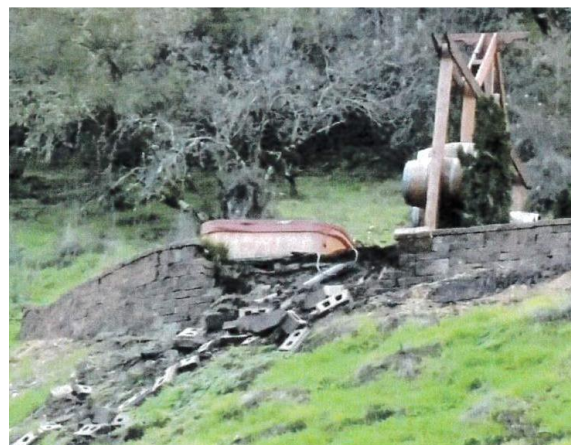
A homeowner in the city of Parlier (Fresno County) entered into a contract with a solar contractor for photovoltaic panels to be installed at his home. The consumer says he was told the system would give him access to “free” energy, but he agreed to a Power Purchase Agreement which required him to purchase all power produced by the system. The homeowner was not provided with a copy of the contract and was “shocked” when his monthly electric bill soared to \$1,400 after the system was installed. Assisted by a local non-profit advocacy group, the homeowner filed a complaint with CSLB. Through the efforts of the Sacramento Intake and Mediation Center, a settlement was reached, and the contractor agreed to remove all the installed solar equipment and cancel the contract with no money due. [Note: This area of Fresno County has been targeted by a small number of disreputable solar contractors who are using predatory sales tactics to sell overpriced solar systems to non-English speaking homeowners. CSLB is actively working with other state agencies and the Fresno County District Attorney’s office to address this problem.

\$40,000 Paid; Little Work Performed

A San Francisco homeowner hired a contractor to install windows and paint the exterior of his home for \$33,000. Change orders for extra work increased the contract amount to \$53,500, and the homeowner had paid nearly \$40,000 when the contractor stopped working on the project, stating he had some “personal issues.” Soon suppliers were contacting the homeowner because the contractor had not paid them for materials delivered. Mediation efforts by a CSR in the Sacramento IMC resulted in a mutually agreeable settlement with the contractor refunding \$33,000 to the consumer (the amount paid to the contractor minus the estimated value of the work performed).

Retaining Wall Collapses in Rain

A San Jose homeowner hired licensee John Ruggiero to construct a new retaining wall, patio, wine barrel arbor, and irrigation system on his hillside property. The contract was for \$66,580, and the work was completed in August while the sun was shining. Four months later, heavy winter rains saturated the soil and caused the retaining wall to collapse down the hillside, taking the patio, a spa, and part of the arbor with it. The homeowner filed a complaint, and CSLB sent an engineering Industry Expert (IE) to the scene. The IE found that the contractor failed to conduct a proper soil analysis, and that both the base and the retaining wall were inadequately designed and constructed. The IE estimated the cost to





correct the work at \$163,800. Based on CSLB's investigation, the homeowner and the contractor mutually agreed to a settlement in the amount of \$148,000.

Significant Criminal Investigations

Diversion of Funds = Administrative and Criminal Sanctions

In 2015, licensee Eugene Rotfeld entered into a \$262,000 remodeling contract with a Menlo Park homeowner, and Rotfeld was given a \$1,000 deposit. Rotfeld requested and received an additional \$26,000 "to reserve subcontractors," then said a permit issue was delaying the start of the project. After several additional delays, the homeowner requested a refund from Rotfeld, but was told her payments were non-refundable. When Rotfeld refused to provide proof of payments to subcontractors, the homeowner filed a complaint with CSLB. An investigation by the San Francisco Investigative Center determined that Rotfeld had not paid *any* of the \$27,000 he received to subcontractors. He had instead used the funds for personal expenses, including his daughter's college tuition. The complaint was closed in June 2016 after Rotfeld agreed to return almost all funds. However, Rotfeld soon stopped making payments to the homeowner and the complaint was reopened in January 2017. This time, the investigation led to the filing of a criminal complaint against Rotfeld for theft by diversion of funds. In January 2018, Rotfeld pled no contest to the charge, and was sentenced to 20 days in jail and 40 hours of community service. A referral for disciplinary action was also made, and an accusation was filed in February 2018. A hearing for the accusation was scheduled for September 2018, but has been continued in order to add the criminal conviction to the pleading.

Contractor Takes Credit for His Work

Jay Raymond Harmon, a former licensee, contracted with a San Jose homeowner to build a home addition for \$128,000. Work began in January 2017; and over the next two months, the homeowner paid Harmon \$73,182, using a credit card. Despite the hefty payments, Harmon made little progress on the job. When the homeowner demanded an explanation, Harmon walked off the job. Unbeknownst to the homeowner, in addition to the \$73,000 in approved charges, Harmon had also made over \$40,000 in additional, unauthorized credit card payments to himself – including \$20,000 in charges made *after* he abandoned the job. The homeowner hired another contractor to correct and complete the project for \$150,000 and filed a complaint with CSLB. The investigation was handled by the San Francisco IC, and resulted in a criminal referral to the Santa Clara County District Attorney. On October 11, 2018, Harmon pled no contest to felony misrepresentation of a license and contracting without a license. Harmon was ordered to pay \$22,000 in restitution to the homeowner and will face up to 32 months in prison if he does not comply with the court's orders.



Patio Cover Scam in San Diego County

The San Diego IC has so far collected 17 homeowner complaints against revoked contractor Stephen Hage of American Pride Enterprises, Inc. In each case, Hage collected an excessive deposit for home improvement work (usually the construction of a patio cover) but would not perform any work or deliver any materials. The deposits collected by Hage ranged from \$1,600 to \$7,000 each, and no money was returned to the victims after they complained to CSLB. Hage's license was revoked on July 7, 2018; and the San Diego IC has referred 14 criminal cases against Hage to the San Diego County District Attorney's office for felony grand theft.

Proactive Criminal Investigations

Sting Arrest Results in Jail Time

In September 2009, Jude Simms Barnes had his license revoked for multiple convictions of grand theft and diversion of funds; however, the license revocation did not stop him. In September 2017, SWIFT and the County of Placer Probation Department caught Simms in an undercover sting operation, which led to his arrest and criminal prosecution for contracting without a license. The case went to trial, and on September 6, 2018, Barnes was sentenced to 120 days in jail and placed on five years' probation for contracting without a license.

Felony Arrest in Wildfire Area

As discussed later in this update, CSLB has ramped up enforcement operations in wildfire burn areas in order to protect fire victims from unscrupulous, unlicensed contractors. On September 11-12, investigators from SWIFT partnered with the Shasta County District Attorney's office to conduct a two-day undercover sting operation in a recently-burned area of Redding. Using a fire-damaged home (with owner approval), investigators attracted 11 unlicensed contractors to the site to provide bids, and made nine felony arrests for illegally contracting in a disaster area.

One of those who came to the SWIFT sting was revoked contractor Patrick Tenerelli (pictured at right). Tenerelli had posted his business card at a local paint store with his revoked license number, and an undercover SWIFT investigator called him to provide a bid for construction work. Tenerelli provided a bid of \$4,292 to rebuild a fence, and was arrested for contracting without a license in a disaster area, fraudulent use of a license number, advertising without a license, and failure to secure workers' compensation insurance. Tenerelli was also found to be on parole for being a felon in possession of a firearm and the unlawful discharge of a weapon causing great bodily harm – the same reason his license was revoked in 2014.





Asphalt Scammer Headed Back to Court

Unlicensed contractor Nikko John Stanley has operated an asphalt paving business under several names over the years, and his business operations have remained consistently shady. As a result of two prior CSLB investigations, Stanley was convicted in June 2017 of contracting without a license and failure to obtain workers' compensation (WC) insurance. He was sentenced by the court to pay restitution to his victims and placed on three years' probation, during which time he was ordered not to act as a contractor. Stanley ignored the judge's order and continued his unlawful paving operations. CSLB received another complaint against Stanley in October 2017 – a short three months after his prior conviction. CSLB soon received three additional complaints. Stanley's usual method of operation was to approach elderly homeowners, claim he was working in the neighborhood, and explain he could offer a special price on asphalt repairs. Stanley would urge the homeowner to sign a contract right away and collect an excessive deposit to "buy materials." He would then either perform no work or complete some work of inferior quality. The complaints were investigated by CSLB's San Diego IC, and all four cases were recently referred to the San Diego County District Attorney's Office (Elder Abuse Unit) for criminal prosecution. Stanley is being charged with grand theft, financial elder abuse, diversion of funds, contracting without a license, collecting excessive deposits, and failure to obtain WC insurance.

BUILDING PERMIT COMPLIANCE UPDATE

Between January 1, 2018 and October 31, 2018, CSLB received 674 complaints alleging a violation of Business and Professions Code section 7110 (failure to pull a building permit). Of these complaints, 193 remain under investigation; the closed complaints resulted in 115 advisory notices, 37 citations, and 12 accusations.

GENERAL COMPLAINT-HANDLING STATISTICS (January to October 2018)

Pending Investigations

At present staffing levels, Enforcement division can effectively handle a maximum caseload of 3,900 pending complaints (see chart below). As of October 2018, the pending case load was 3,852, with an average of 38 cases assigned to each ER. The preferred maximum case assignment for CSRs and ERs is shown in the following chart:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER/CSR	Maximum Number of Cases per Classification
ERs	60	10	4	35	2,100
CSRs	30	20	2	60	1,800
TOTAL					3,900

Restitution to Financially-Injured Persons

CSLB continues to assist consumers and licensees to resolve non-egregious consumer complaints. From January to October 2018, complaint negotiation efforts by Enforcement division staff resulted in more than \$20 million in restitution to financially-injured parties, as depicted in the following chart:

Financial Settlement Amount January - October 2018	
Investigative Center	\$4,348,804.05
Intake and Mediation Center	\$16,497,014.17
TOTAL RESTITUTION	\$20,845,818.22

Enforcement Representative Production Goals

From January to October 2018, Investigative Center ERs achieved the Board's goal of a weighted statewide average of 10 complaint closures per month, as shown in the chart below.

Average Monthly Closures of Consumer Complaints (Jan 2018- Oct 2018)											
CSLB OFFICE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Average
Fresno	6	4	8	8	6	6	9	8	11	10	7.6
San Francisco	10	9	10	13	12	14	11	12	9	9	10.9
Sacramento (North)	10	9	11	8	10	10	12	12	11	10	10.3
Sacramento (South)	14	11	11	10	12	9	10	11	11	11	11
Valencia	9	11	9	10	13	9	8	8	11	11	9.9
Norwalk	10	10	11	9	8	13	12	10	11	11	10.5
West Covina	14	9	8	8	9	11	13	11	10	9	10.2
San Bernardino	10	9	9	10	9	9	10	10	10	10	9.6
San Diego	10	11	17	18	11	13	11	9	11	11	12.2
SIU	10	10	8	8	9	8	7	5	9	9	8.3

Complaint-Handling Cycle Time

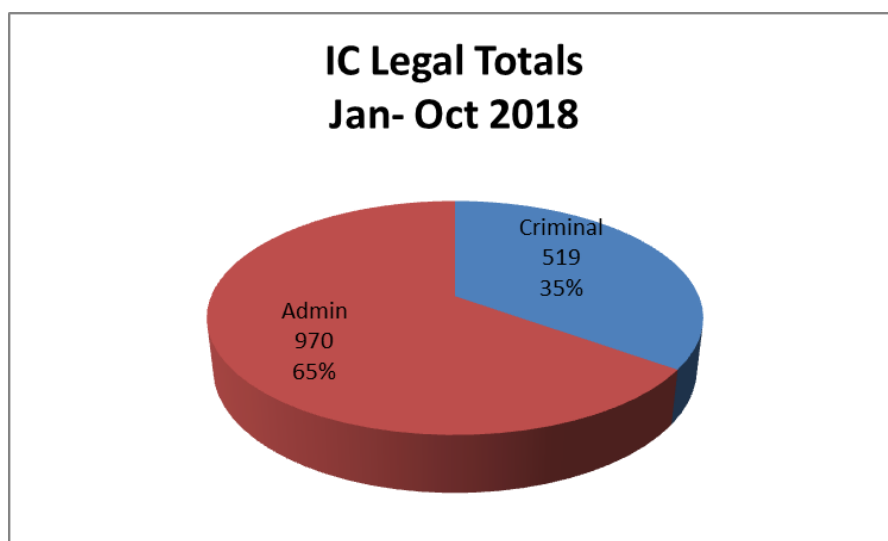
The Board's goal is to appropriately disposition all but 100 complaints within 270 days of receipt. Ninety-two of the 3,852 open complaints – or 2 percent – exceeded 270 days in age as of November 5, 2018. The following chart tracks the number of aged cases from February to November 2018.



Investigation Exceeding 270 Days in Age (Feb 2018- Nov 2018)										
CSLB OFFICE	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Fresno	6	6	5	12	11	11	7	7	11	13
San Francisco	13	16	17	16	24	6	7	9	9	5
Sacramento (North)	1	7	7	6	1	9	8	11	6	3
Sacramento (South)	4	7	11	0	7	2	4	6	3	5
Valencia	17	17	10	19	20	15	14	12	8	8
Norwalk	40	23	16	30	24	15	21	26	18	20
West Covina	22	17	11	10	3	14	20	14	15	13
San Bernardino	9	11	12	14	12	16	13	12	8	5
San Diego	17	18	9	5	4	7	7	5	3	2
SIU	22	23	31	25	18	19	14	17	19	18
Monthly Totals	151	145	129	137	124	114	115	119	100	92

Investigative Center Legal Actions

From January to October 2018, the ICs referred 35 percent, or 519 of the 1,465 legal action investigations for criminal prosecution.



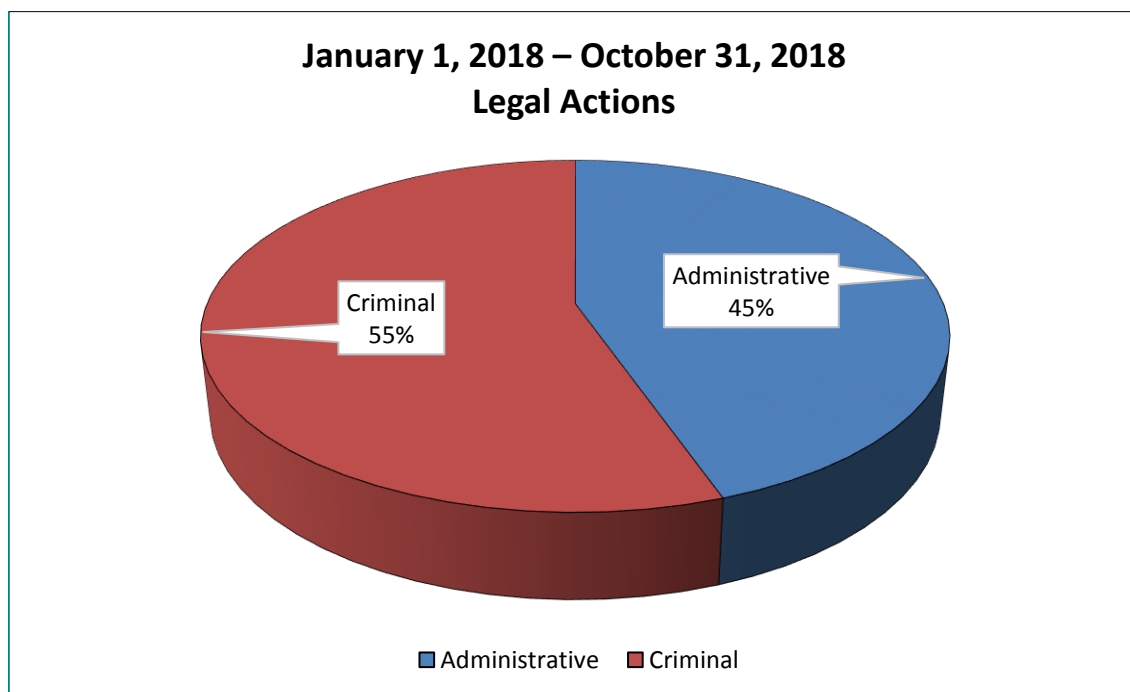
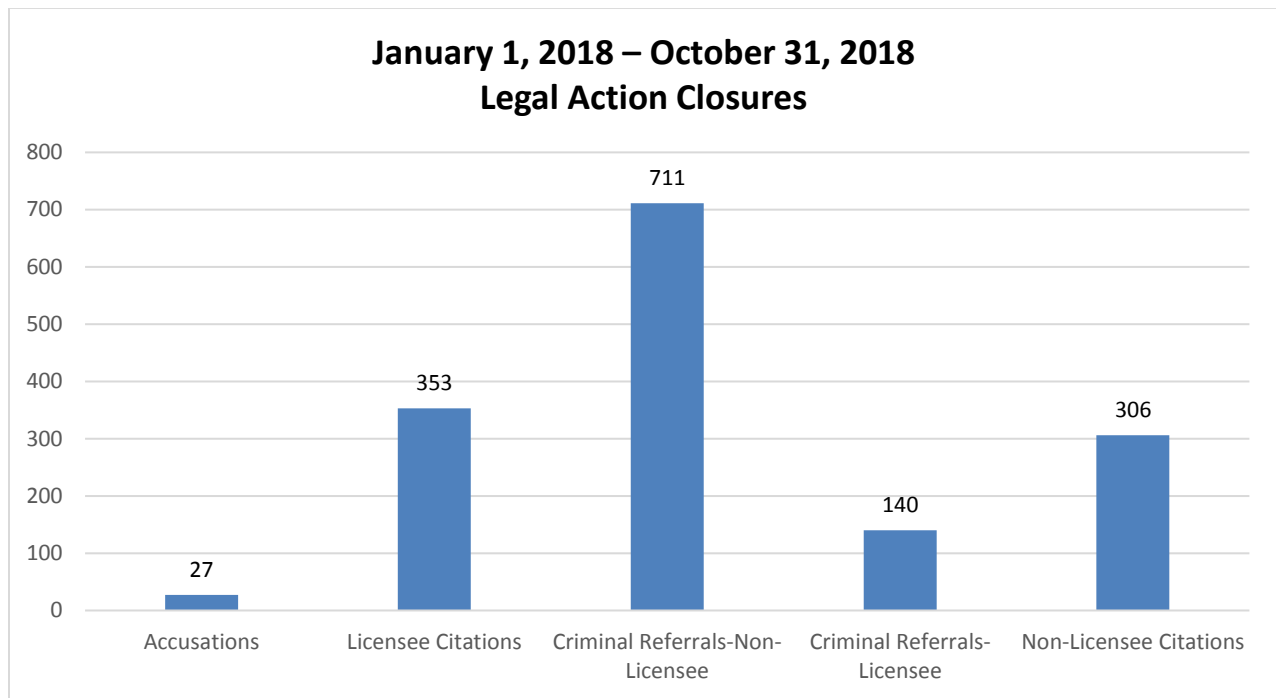
STATEWIDE INVESTIGATIVE FRAUD TEAM

SWIFT is comprised of ERs who enforce license and workers' compensation insurance requirements at active jobsites, respond to leads, and conduct enforcement sweeps and undercover sting operations targeting unlicensed persons. From January 1 to October 31, 2018, SWIFT conducted 67 sting operations in partnership with other state agencies, law enforcement departments, and district attorneys. Working with other state and local agencies, SWIFT also conducted 338 days of enforcement sweeps throughout the state.



Legal Action Closures

From January 1 to October 31, 2018, SWIFT completed 3,579 investigations as a result of stings, sweeps, and leads. Of these cases, 1,537 resulted in an administrative or criminal legal action, as shown below. Investigators also issued 824 Advisory Notices for minor violations.





District Attorney Referrals

When SWIFT investigators substantiate a criminal violation for failure to have a contractor license or workers' compensation insurance for employees, the case will normally be referred to the local district attorney (DA) for prosecution. Criminal referrals occur as a result of stings, where a Notice to Appear was issued, or as a result of a lead or sweep operation. From January 1 to October 31, 2018, SWIFT referred 851 cases to local DAs for criminal prosecution.

January 1, 2018 – October 31, 2018 Criminal Referrals	
Licensee Criminal Referrals	140
Non-Licensee Criminal Referrals	711
Total	851

Citations

From January 1 to October 31, 2018, SWIFT issued 659 licensee and non-licensee citations and has assessed \$776,050 in non-licensee citation civil penalties.

Citation Amounts Assessed

January 1, 2018 - October 31, 2018 Non-Licensee Citations				
	Northern SWIFT	Central SWIFT	Southern SWIFT	Totals
January 2018	\$25,500	\$0	\$82,000	\$107,500
February 2018	\$750	\$25,750	\$34,750	\$61,250
March 2018	\$4,850	\$4,000	\$60,250	\$69,100
April 2018	\$8,150	\$32,250	\$75,250	\$115,650
May 2018	\$6,500	\$5,750	\$38,450	\$50,700
June 2018	\$6,400	\$6,000	\$85,250	\$97,650
July 2018	\$17,700	\$5,000	\$49,250	\$71,950
August 2018	\$2,550	\$1,500	\$37,250	\$41,300
September 2018	\$1,500	\$5,250	\$38,750	\$45,500
October 2018	\$36,700	\$5,750	\$73,000	\$115,450
Totals	\$110,600	\$91,250	\$574,200	\$776,050

Stop Orders

A Stop Order is a legal demand to cease all employee labor at a jobsite due to a WC insurance violation until an appropriate policy is received. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to \$10,000. From January 1 to October 31, 2018, SWIFT issued 593 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid WC policy.

Labor Enforcement Strike Force (LETf)

Created in 2012, the Labor Enforcement Task Force (LETf) is comprised of investigators from CSLB, Department of Industrial Relations (DIR) Division of Labor Standards and Enforcement, DIR Division of Occupational Health and Safety, and the Employment Development Department. LETf combats the underground economy in California and strives to create an environment where legitimate businesses can thrive. LETf aims to:

- Ensure that workers receive proper payment of wages and are provided a safe work environment;
- Ensure that California receives all employment taxes, fees, and penalties due from employers;
- Eliminate unfair business competition by leveling the playing field; and
- Make efficient use of state resources in carrying out LETf's mission.

Below are LETf statistics for January 1 to October 31, 2018:

CATEGORY	RESULT
Number of Contractors Inspected*	243
Number of Contractors Out of Compliance	208
Percentage of Contractors Out of Compliance	86%
Total Initial Assessments**	\$1,348,182

**The results reflect joint LETf inspections, where multiple LETf partners conducted a joint inspection. These LETf partners include Cal/OSHA, CSLB, DLSE & EDD*

*** The total amount of penalties assessed by Cal/OSHA and DLSE at the time of the initial inspection. These amounts are subject to change.*



STAFF TRAINING UPDATE

CSLB held an Enforcement Academy at Sacramento Headquarters on November 5-9, 2018. Board Chair Marlo Richardson and Registrar Dave Fogt welcomed students and provided opening comments. Board Member Joan Hancock, Registrar Fogt, and Chief Deputy Registrar Tonya Corcoran presented graduation certificates to students on the last day.

The Enforcement Academy is intended for new investigators, and most of the students in the November class had only been in their current positions for a few months. The Academy includes practical exercises in interviewing, report writing and court testimony.



Presenters for the Academy were Deputy Attorney General Mike Franklin and CSLB Training Coordinator Doug Galbraith, who both expressed appreciation to the Board and CSLB management for their continued support of the Academy.



Case Management January - October 2018

CITATIONS ISSUED		
Citation Status	Licensee	Non-Licensee
Issued	1,166	829
Appealed	483	311
Compliance	814	409
ARBITRATION		
Arbitration Cases Initiated		803
Arbitration Decisions Received		578
Licenses Revoked for Non-Compliance		58
Arbitration Restitution		\$3,279,356
ACCUSATIONS/STATEMENTS OF ISSUES		
Revocations by Accusation		318
Accusation Restitution Paid to Injured Persons		\$378,142
Statement of Issues (Applicants Denied)		23
Cost Recovery Received		\$429,296
Number of Cases Opened		324
Number of Accusations/Statement of Issues Filed		314
Number of Proposed Decisions Received		70
Number of Stipulations Received		90
Number of Defaults Received		122
Number of Decisions Mailed		322

AGENDA ITEM G-2

Update on Solar Task Force Objectives and Activities

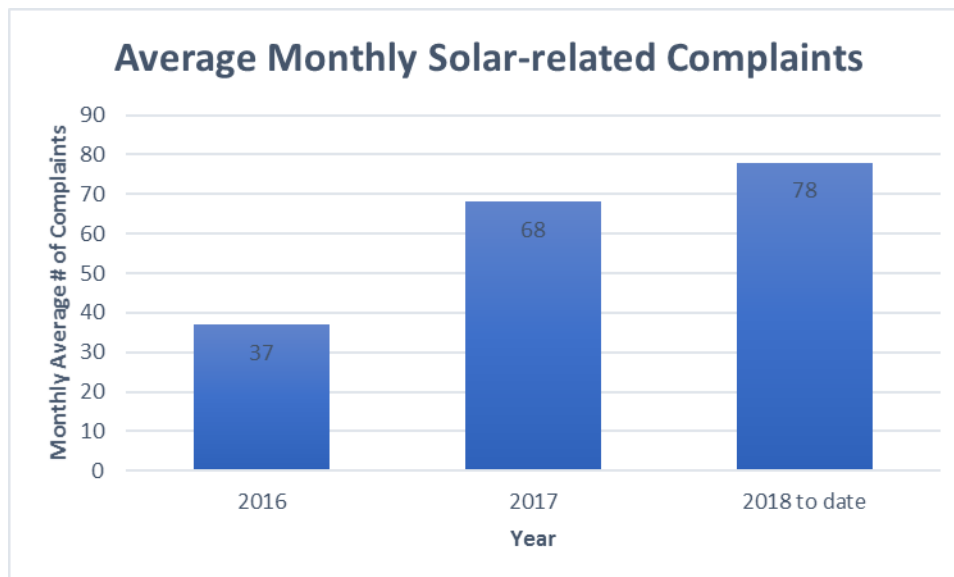




Current Solar Complaint Statistics

The Solar Task Force was created in 2015. Due to increased consumer complaints, the Task Force is now comprised of 11 CSLB staff throughout California – one Enforcement Manager, three Enforcement Representatives, four Consumer Services Representatives, two Staff Services Analysts, and one Associate Governmental Program Analyst.

CSLB continues to receive a high volume of solar-related complaints, receiving nearly 1000 complaints in the last 12 months and averaging 78 per month in 2018, to date. This represents an increase of 10 complaints/per month over the 2017 calendar year. The chart below demonstrates the increase in the monthly average of consumer-filed solar complaints.



While 25 percent of the complaints investigated and closed resulted in a legal action (administrative or criminal), CSLB staff in both the Intake and Mediation and Investigative Centers have been highly successful in settling complaints when there is no evidence of serious violations, resulting in restitution to the injured parties equaling \$2,802,455 since January 1, 2016.

Many investigations demonstrate that the steady influx of solar complaints can largely be attributed to the initial misrepresentation of contract terms and the predatory practices of home improvement salespeople. At the September 2018 board meeting, staff highlighted examples of such predatory behavior found to be occurring at a higher

than average rate in the disadvantaged central California communities of Parlier and Huron.

Solar Consumer Protection Strategy Meeting

On November 27, 2018, in partnership with the California Public Utilities Commission (CPUC), CSLB hosted a Joint Agency Solar Consumer Protection Strategy meeting aimed at addressing the predatory sales tactics being demonstrated in varying disadvantaged communities across California. The meeting was broken into two sessions. Both sessions were attended by CSLB Registrar, David Fogt; CPUC Commissioner Martha Guzman Aceves; Department of Business Oversight (DBO) Commissioner Jan Owen; and staff from CSLB, CPUC DBO, Attorney General's Office, and the Marin and Fresno County District Attorney's Offices.

The first half of the meeting was a closed session, during which representatives from attending agencies discussed critical issues within the solar industry, their respective responsibilities, and how to better integrate their regulatory roles.

The second half of the meeting was open to solar industry stakeholders, and was well attended by consumer protection organizations, legal services agencies, and industry representatives. Attending agencies found the meeting beneficial and the cooperation will continue with the creation of the new Joint Agency Solar Consumer Protection Task Force.

AGENDA ITEM G-3

Review and Discussion of Partnership with California Building Officials to Develop Strategies to Address Underground Economy in Construction





CONTRACTORS STATE LICENSE BOARD

COLLABORATION WITH BUILDING OFFICIALS

As part of its mission to protect consumers, the Contractors State License Board is committed to reducing unlicensed and illegal contracting. The strategies used to address contracting in the underground economy include reducing barriers that discourage licensure and taking strong enforcement action against unlicensed contractors. To help accomplish these ends, CSLB has proposed to the California Building Officials organization (CALBO) implementation of a collaborative pilot program in nine volunteer counties.

It is currently envisioned that the pilot program will consist of five component parts specific to nine counties:

1. Identify the scope of unlicensed practice and estimate lost tax revenue.
2. Perform consumer and industry outreach to caution about the dangers of hiring an unlicensed practitioner or acting in the capacity of a contractor without a license.
3. Conduct license applicant workshops in each partnering jurisdiction. Staff from building departments and CSLB would assist in identifying potential attendees and promoting the applicant workshops.
4. Conduct undercover sting operations with collaborating building departments, targeting unlicensed practitioners as identified by building officials who fail to comply with license and permit requirements.
5. Track the following statistics:
 - New CSLB license issued
 - Building permit compliance
 - Business license compliance
 - Employment Development Department (EDD) registrants (construction employers registered with EDD for tax-reporting purposes)

CALBO has agreed in concept to implementing the proposed pilot program in nine counties, and has requested that CSLB present the proposal to its membership at their annual business meeting in San Diego next March. CALBO has arranged for CSLB to lead two workshops at the meeting to identify volunteer participants and obtain additional input from local building officials.

In her capacity as Chief Building Official for Sacramento County, Board Member Nancy Springer has helped to coordinate two recent trainings by CSLB SWIFT investigators for the staff of Sacramento County's Building Permits and Inspection Office. Topics covered included license classifications, owner-builder permit applications, and the

B-General Building classification and the two-trade requirement. It is anticipated that these training sessions will serve as a template for future classes in other counties.

Staff will provide the board a status update on this program at a future meeting.

AGENDA ITEM G-4

Review and Discussion Regarding CSLB Implementation of SB 1465 (Hill, Chapter 514, Statutes of 2018) Settlement Reporting Requirements





CONTRACTORS STATE LICENSE BOARD

IMPLEMENTATION OF SB 1465 – SETTLEMENT REPORTING

Effective January 1, 2019, SB 1465 (Hill, Chapter 514, Statutes of 2018) requires that licensed contractors report to the Contractors State License Board (CSLB) any final judgment, executed settlement agreement, or final arbitration award that meets the following criteria:

1. The judgment, settlement, or arbitration award is the result of a structural failure (or risk of failure) of a load-bearing portion of a *multifamily* residential structure;
2. The amount of the judgment, settlement, or award is \$1 million or greater; and
3. The civil action that led to the judgment, settlement, or award was filed after January 1, 2019.

Newly-added section 7071.20 of the Business and Professions Code (BPC) requires that licensees notify CSLB within 90 days of learning about a reportable judgment, settlement, or arbitration award. This section also lists the specific information and documentation that must be submitted to CSLB. Failure to comply with the statutory requirements is a cause for disciplinary action. A separate statute (BPC section 7071.21) states that any licensee's *insurer* who paid out any portion of a qualifying judgment also must file a report with CSLB.

Enforcement division management has identified an Office Technician and an Enforcement Representative within the Case Management Unit to receive and process incoming SB 1465 reports. This staff will review the submitted information to determine if CSLB should open a complaint and conduct a formal investigation. If an investigation establishes a violation of the Business and Professions Code, CSLB may take disciplinary action against the prime contractor and/or any applicable subcontractors.

CSLB staff is developing an industry bulletin to inform licensees of the provisions of SB 1465, with instructions on how to report judgments, settlements, or awards that meet the statutory requirements. Reporting instructions will also be added to CSLB's website. Additionally, Enforcement division staff is currently developing a new form to assist licensees and insurers with reporting the necessary information.

AGENDA ITEM H

Public Affairs



AGENDA ITEM H-1

Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Media Relations Highlights
- d. Industry and Licensee Highlights
- e. Publication/Graphic Design Highlights
- f. Community Outreach Highlights
- g. Employee Relations, Development and Intranet (CSLBin)





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, as well as outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam StopperSM and Consumer Scam StopperSM seminars, and seminars for both disaster survivors and contractors; speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; website and employee Intranet content, including webcasts and video; as well as disaster outreach and education.

STAFFING UPDATE

PAO is staffed with seven full-time positions and two part-time Student Assistants. PAO currently has three vacancies. The Information Officer I position is expected to be filled soon, followed by the Television Specialist and the second Student Assistant.

Staff Name	Position
Rick Lopes	Chief of Public Affairs
Claire Goldstene	Information Officer II
Amber Foreman	Graphic Designer III
Jane Kreidler	Associate Government Program Analyst
Natalie Watmore	Information Officer I

Staff Name	Position
Vacant	Information Officer I
Vacant (New Position)	Television Specialist
Zoe Brazil	Student Assistant
Vacant	Student Assistant

ONLINE HIGHLIGHTS

CSLB Website Statistics

Website usage has remained steady over the past quarter, and over the past year. The majority of website usage takes place from Monday through Thursday, with a slight drop on Friday, and a dramatic drop on weekends. Between August and October 2018, the number of users each day (Monday through Thursday) is between 25,000 and 27,000. On Friday, user numbers drop to between 19,000 and 21,000, and average between 6,500 and 7,500 on weekends.

For the past year (November 1, 2017-October 31, 2018), the website has averaged more than 4.9 million pageviews per month by 253,372 different users. Thirty-two percent of visitors over the past year had not previously visited the website. For the last year, more than 3 million users viewed 59.2 million pages.

Almost two-thirds of visitors use a desktop computer to access the website, not surprising since it is believed that many of the license look-ups are conducted by businesses, including insurance companies, bond companies, and building departments.



Month	Sessions	Users	New Users	Page Views	Desktop	Mobile	Tablet
November	692,295	322,863	225,693	4,369,464	70.05%	25.31%	4.64%
December	608,932	278,880	192,453	3,930,820	68.16%	27.00%	4.84%
January 2018	804,179	351,585	255,925	5,284,303	67.74%	27.29%	4.96%
February	727,255	328,719	228,295	4,723,344	67.34%	27.73%	4.93%
March	824,851	360,495	257,396	5,320,460	66.85%	28.25%	4.90%
April	797,044	356,524	249,624	5,098,797	66.88%	28.33%	4.80%
May	822,706	360,228	254,434	5,278,340	66.22%	28.90%	4.88%
June	778,102	352,442	245,780	4,913,395	66.82%	28.33%	4.86%
July	764,954	347,583	241,347	4,978,289	65.59%	29.42%	4.00%
August	830,976	366,584	257,790	5,428,619	65.85%	29.31%	4.84%
September	714,245	322,784	221,856	4,582,594	64.78%	30.33%	4.90%
October	808,118	350,238	243,790	5,340,976	65.69%	29.62%	4.69%
Monthly Avg.	764,471	341,577	239,532	4,937,450	66.83%	28.32%	4.77%
Totals	9,173,657	4,098,925	2,874,383	59,249,401	N/A	N/A	N/A

The list of 20 most viewed pages on the CSLB website has remained consistent. The rankings do not include the homepage, or any online services page, including the application check, Instant License Check, or Find My Licensed Contractor features. For the past three months, these online services account for just over 68 percent of traffic on the CSLB website.



The 20 Most Viewed Pages on CSLB's Website – Ranked by Page Views/Quarter
(does not include homepage, or online services pages, including instant license check, or find my licensed contractor)

Page Title	Oct. - Dec. 2017	Jan. - March. 2018	April – June 2018	July – Sept. 2018
Forms and Applications	1	1	1	1
Contractor Home Page	2	2	2	2
Consumer Home Page	4	4	3	3
Licensing Classifications	3	3	4	4
Mechanics Lien Release Forms	6	5	5	5
Contact CSLB	5	6	6	6
License Application	7	7	8	7
"B" General Building Contractor	9	9	9	8
Applicant Home Page	8	8	7	9
Filing a Complaint	13	14	12	10
Exam Application Info	11	10	10	11
Before Applying for a License	14	12	13	12
Maintain License	10	11	11	13
Guides and Publications	12	13	14	14
Examination Study Guides	15	15	15	15
C-61 Limited Specialty	17	16	16	16
Renew Your License	19	17	19	17
About Us FAQs	16	18	17	18
"A" General Contractors	23	19	20	19
About Us	-	20	-	20
Hire a Contractor	18	-	18	-
Contractor Laws	20	-	-	-

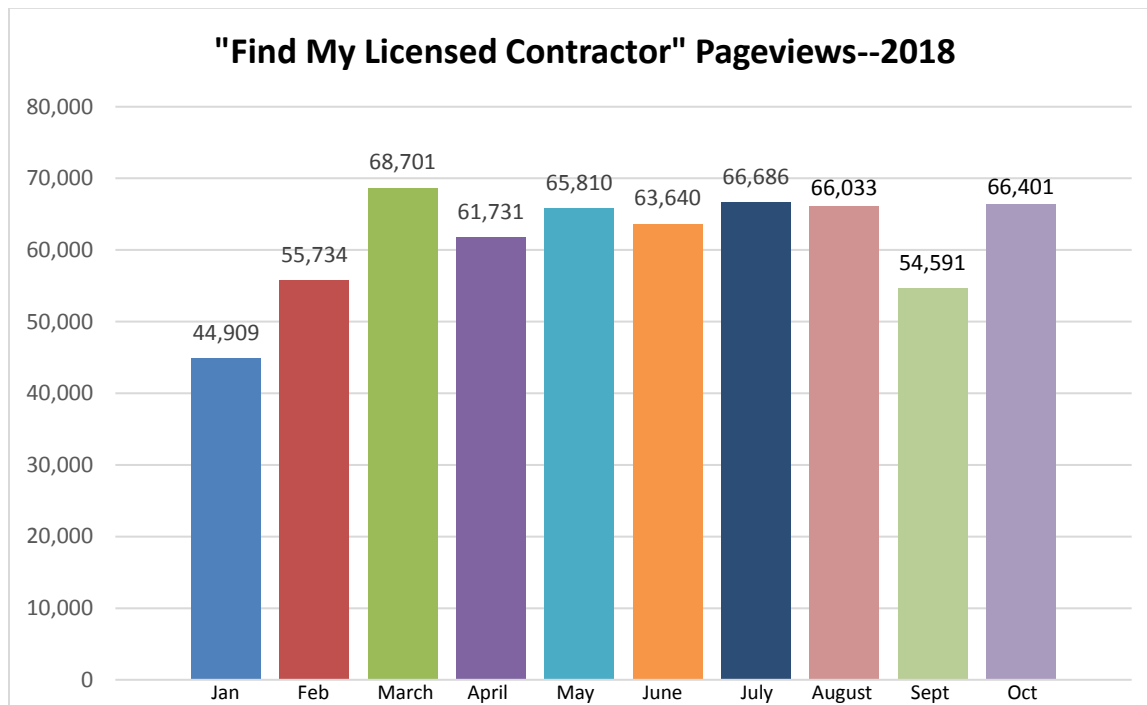
"Find My Licensed Contractor" Website Feature

On January 8, 2018, CSLB launched a new "Find My Licensed Contractor" website feature that allows consumers to search for licensed contractors by classification within a specific geographic area based on either city or zip code. All search results, which link to current licensing information, are displayed in random order, which changes with each search conducted. Lists can be downloaded as either a .pdf or into a spreadsheet for future reference.



Consumers can use this feature to start their search for a licensed contractor, contractors can identify potential sub-contractors, and awarding agencies can identify potential bidders for contracts.

Below is information about how often this page has been viewed:



VIDEO/DIGITAL SERVICES

Public Meetings

- *Board Meetings – Teleconference/Live Webcasts*
 - September 20, 2018: Quarterly Board meeting in Sacramento





The following is a list of live meeting webcasts PAO produced over the last year, along with the number of live viewers for each:

Date	Meeting	Live Viewers
December 7, 2017	Quarterly Board Meeting	227
February 23, 2018	Enforcement and Licensing Committee Meetings	132
March 2, 2018	Legislative and Public Affairs Committee Meetings	65
April 13, 2018	Quarterly Board Meeting – Day 2	119
June 7, 2018	Quarterly Board Meeting – Day 1	266
June 8, 2018	Quarterly Board Meeting – Day 2	128
August 3, 2018	Executive, Enforcement, Legislative, Licensing, and Public Affairs Committee Meetings	215
September 20, 2018	Quarterly Board Meeting	64

Social Media Highlights

Followers on CSLB's Social Media Channels

Date	Facebook	Twitter	YouTube	Periscope	LinkedIn	Instagram	Flickr
November 2010	86	50	2	-	-	-	-
November 2011	731	638	20	-	-	-	-
November 2012	1,139	1,040	282	-	-	-	-
November 2013	1,457	1,349	343	-	-	-	-
November 2014	1,796	1,622	352	-	-	-	-
November 2015	2,228	1,824	434	10	14	-	-
November 2016	2,909	2,123	600	62	59	12	7
November 2017	3,312	2,405	702	46	105	99	10
November 2018	3,680	2,471	832	-	153	210	12

CSLB continues to use a variety of posts that include infographics to enhance engagement with audiences via a variety of social media. The use of infographics has increased CSLB's interaction by 67.5 percent in comparison to posts without graphics.

Below are examples of infographics recently posted on Facebook, Twitter, Instagram, and LinkedIn:



Nextdoor Partnership



Nextdoor is a private social network for neighborhoods. This network serves over 158,000 neighborhoods across the country and is used as a source of local information.

CSLB is a Nextdoor Public Agency Partner, which allows PAO to create targeted messages to reach residents in communities of declared disaster areas. CSLB's agency account can currently reach all active neighborhoods in Napa, Sonoma, Yuba, Butte, Lake, Mendocino, Nevada, Orange, and Solano counties.

In November 2018, 13,043 people joined CSLB's reachable Nextdoor Network, bringing the total number of verified residents in CSLB's network to 699,213.

Facebook Growth

Between August 25, 2018 and November 20, 2018, CSLB "reached" 3,679 people on its Facebook page.

- 68 percent of those who "react" to CSLB on Facebook are male; 31 percent female.
- 57 percent of CSLB's Facebook fans are between the ages of 35 and 54.
- Most viewed posts:
 - License Check – reached 4,259 people
 - October Press Release – reached 3,642 people



Since the August 3, 2018, Public Affairs Committee meeting, CSLB produced two Facebook Live videos.

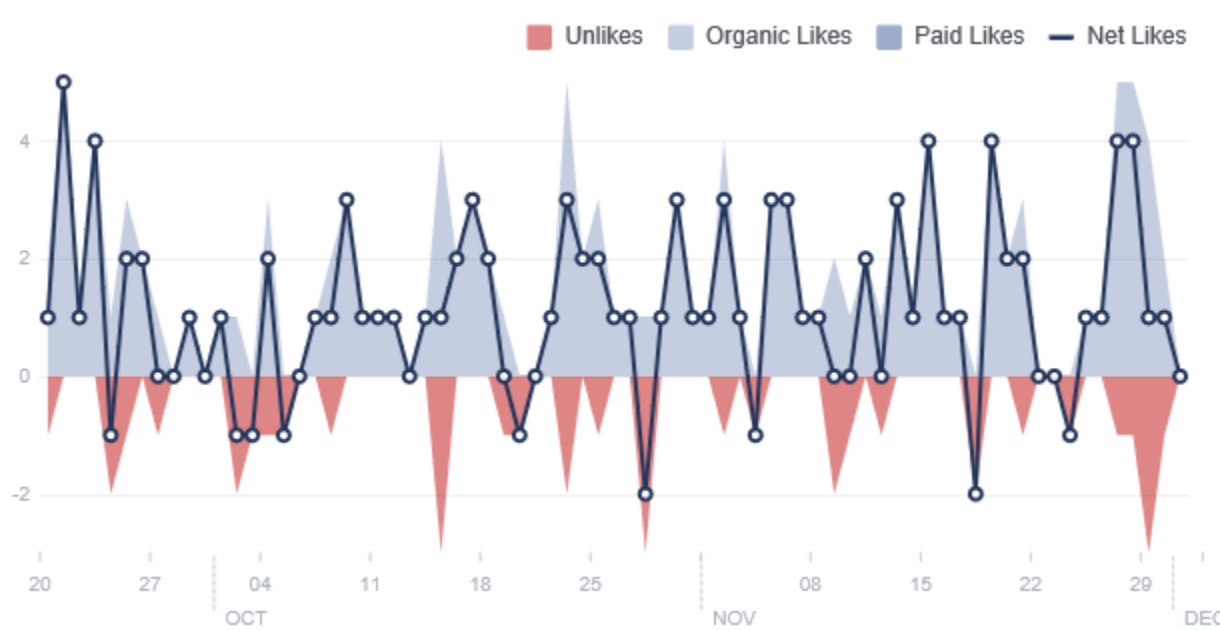
One video streamed a live feed of CSLB's Public Affairs Chief Rick Lopes discussing tips for disaster survivors when looking to hire a licensed contractor to rebuild. The live video was filmed in the Redding area, in the Carr Fire Area.



The second was a joint press conference with CSLB, Insurance Commissioner Dave Jones, Butte County District Attorney Michael Ramsey, and Butte County Sheriff Kory Hosea. The group discussed tips for fire survivors to protect themselves from insurance scams and from hiring unlicensed contractors when they look to rebuild. The group also put out a warning that anyone caught contracting without a license in the disaster area could face a felony charge, and potentially time in state prison.



The chart below shows the net growth per day from September 20, 2018 through December 1, 2018, for CSLB's Facebook page. The blue line represents individuals who have "liked" CSLB, and the red areas represent individuals who have "liked" CSLB at one point, but subsequently "un-liked" CSLB.



Twitter Growth

As of November 20, 2018, CSLB has 26.1k impressions on Twitter and 2,471 twitter followers.

- 65 percent of CSLB's Twitter followers are male; 35 percent female.
- Top tweets:
 - Woolsey Fire Road Closure Update – 2,725 impressions

CA Contractors Board @CSLB
#WoolseyFire road closure update. Follow @Cal_OES to get the most up-to-date information.
<https://twitter.com/CaltransDist7/status/1062477069194428416>
...

- CSLB Press Conference Update – 965 impressions

CA Contractors Board @CSLB
Thanks to everyone who tuned-in to hear our message today! CSLB is not only warning unlicensed contractors not to work in the fire areas - but it's very critical that residents take a breath and take their time when looking to rebuild.
#CampFire #CARebuilding #CAWildfires
<https://twitter.com/CDInews/status/1064614332821004288> ...

YouTube Growth

CSLB's YouTube Channel received 8,877 views between September 20, 2018 and December 1, 2018, an average of 123 viewers per day. Viewers watched a combined total of 45,205 minutes of video. CSLB gained 20 subscribers on YouTube since the September board meeting, growing from 783 to 841.

- CSLB has a total of 451,657 views (1,453,955 minutes watched) since the page was created in 2009.

Instagram Growth

- CSLB uses Instagram as a visual tool to connect with followers. As the significance of using images on social media grows in conjunction with the use of smartphones, CSLB will continue to adapt and communicate in as many ways as possible.

**Flickr Growth**

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of November 20, 2018, CSLB had 337 photos available for download on Flickr.

LinkedIn Growth

PAO actively posts current job vacancies to LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase exposure and act as an effective recruiting tool to attract quality employees for CSLB positions.

Periscope Growth

CSLB maintains a Periscope account for streaming live video, but at currently focuses on streaming through Facebook, due to having a larger number of followers on that platform.

Email Alert Feature

In May 2010, PAO launched a website feature that allows people to subscribe to their choice of four types of CSLB email alerts:

- *California Licensed Contractor* newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

PAO added a CSLB Job Openings category in May 2016, and an email containing all current CSLB job openings is sent out weekly.

The total subscriber database currently stands at 27,950, which includes 573 new accounts since September 2018.



PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This database now consists of addresses for 146,189 licensees, which brings the combined database to 174,139 email addresses.

Date	Industry Bulletins	Meeting Notices	CLC Newsletter	News Releases	Job Openings
May 2010	185	187	103	277	-
May 2011	2,390	1,531	3,141	2,361	-
May 2012	4,387	2,879	5,212	4,015	-
May 2013	5,089	3,341	5,975	4,660	-
May 2014	6,027	4,017	6,947	5,538	-
May 2015	6,459	4,273	7,293	5,852	-
May 2016	6,866	4,479	7,575	6,096	17
May 2017	7,410	4,573	7,857	6,468	305
May 2018	7,525	4,653	8,017	6,720	462
Nov. 28, 2018	7,705	4,706	8,115	6,854	919

MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between August 27, 2018 and November 21, 2018, PAO staff responded to 32 media inquiries, providing information and/or interviews to a variety of media outlets.

Media Events

One media event was conducted since the September 2018 Board meeting. As noted earlier in this report, on November 19, 2018, PAO teamed with the California Department of Insurance, the Butte County Sheriff's Office, and the Butte County District Attorney's Office to publicize an educational outreach operation for survivors of the Camp Wildfire area east and southeast of Chico. This includes the communities of Paradise, Magalia, and Concow. At least 85 people have been killed, and at least 14,500 structures have been destroyed, including 13,696 single family residences.

**News Releases**

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between August 28, 2018 and November 25, 2018, PAO distributed 13 news releases.

Release Date	Release Name
August 28, 2018	CSLB Targets Unlicensed Contractors in San Joaquin County
August 30, 2018	Contractor with Revoked License and Husband Returned from Arizona to California to Face Dozens of Criminal Charges
August 30, 2018	CSLB Undercover Sting Highlights Importance of Consumers Looking at All Home Improvement Ads
September 19, 2018	CSLB and Shasta County District Attorney Continue Maximum Effort to Protect Carr Fire Survivors from Unlicensed Contractors
September 27, 2018	CSLB Busts Three Repeat Offenders During Dual Central and SoCal Undercover Operations
October 22, 2018	Contractors State License Board Undercover Sting Finds No Shortage of Unlicensed Contractors in Contra Costa County
October 24, 2018	CSLB Hits Unlicensed Contractors with Citations During Southland Sting Operation
October 25, 2018	Unlicensed Contractors Caught Placing High Bids in CSLB Orange County Sting Operation
October 26, 2018	Online Advertisements Lead CSLB to Unlicensed Workers in Fresno County
November 1, 2018	While Lake County Focuses on Rebuilding, CSLB Finds Unlicensed Contractors Trying to Get Other Home Improvement Jobs
November 1, 2018	CSLB Cites Workers for Contracting Illegally and Violating Advertising Rules During Undercover Sting in Butte County
November 14, 2018	Contractors State License Board Urges Wildfire Survivors to Only Hire Licensed Contractors for Clean-Up, Repairs or Rebuilding
November 16, 2018	Multi-Agency Partnership Formed to Protect Camp Fire Survivors from Disaster Scams and Fraud

**PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS**

PAO staff regularly review and update publications for accuracy and to reflect any changes in the law.

Publication	Description	Current Publish Date
10 Tips to Make Sure Your Contractor Measures Up	Card (English/Spanish)	Aug 2017
A Consumer Guide to Asbestos	Booklet (English)	June 2013
A Consumer Guide to Filing Construction Complaints	Brochure (English)	March 2017
A Consumer Guide to Filing Construction Complaints	Brochure (Spanish)	March 2017
A Guide to Contractor License Bonds	Brochure (English)	March 2016
A Homeowner's Guide to Preventing Mechanics Liens	Brochure (English)	Jan 2016
A Homeowner's Guide to Preventing Mechanics Liens	Brochure (Spanish)	Jan 2016
Advertising Guidelines for Contractors	Brochure (English)	Jan 2013
After a Disaster Don't Get Scammed	Brochure (English)	Feb 2018
After a Disaster Don't Get Scammed	Brochure (Spanish)	Feb 2018
Asbestos: Contractor's Guide & Open Book Exam	Booklet (English)	March 2017
Before You Dive into Swimming Pool Construction	Brochure (English)	Nov 2011
Building Official Information Guide	Booklet (English)	April 2011
Building Your Career as a Licensed Contractor	Brochure (English)	Aug 2017
Building Your Career as a Licensed Contractor	Brochure (Spanish)	Aug 2015
CA Contractors License Reference & Law Book (2018)	Book (English)	Jan 2018
Caught for Illegal Contracting What Happens Now	Brochure (English)	Sep 2015
Caught for Illegal Contracting What Happens Now	Brochure (Spanish)	Jan 2016
Choosing the Right Landscaper	Brochure (English)	Jan 2016
Consumer Guide to Using the Small Claims Court	Brochure (English)	June 2015
Contracting for Success: Contractor's Guide to Home Improvement	Booklet (English)	Sept 2006
Description of Classifications	Booklet (English)	June 2016
Description of Classifications	Booklet (Spanish)	Jan 2018
Industry Expert Program	Brochure (English)	Aug 2010
Mandatory Arbitration Program Guide	Pamphlet (English)	March 2017
Voluntary Arbitration Program Guide	Pamphlet (English)	March 2017
Owner-Builders Beware! Know Your Responsibilities	Brochure (English)	Aug 2010



Owner-Builders Beware! Know Your Responsibilities	Brochure (Spanish)	Aug 2011
Terms of Agreement: Consumer's Guide to Home Improvement	Booklet (English)	Sept 2012
Tips for Hiring a Roofing Contractor	Brochure (English)	Sept 2008
Tips for Hiring a Roofing Contractor	Brochure (Spanish)	Sept 2008
What is a Stop Order	Brochure (English)	June 2015
What is a Stop Order	Brochure (Spanish)	Feb 2018
What Seniors Should Know Before Hiring A Contractor	Brochure (English)	May 2017
What Seniors Should Know Before Hiring A Contractor	Brochure (Spanish)	July 2017
What You Should Know Before Hiring A Contractor	Brochure (English)	Aug 2015
What You Should Know Before Hiring Contractor	Brochure (Spanish)	Feb 2018
Building a Rewarding Career Protecting California Consumers	Brochure (English)	Feb 2016

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

The Summer 2018 edition of the licensee newsletter was distributed via email to more than 154,000 addresses.

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins, which are sent out via email on an as-needed basis to 7,705 people and interested parties. Distribution includes those who signed-up to receive the bulletins through CSLB's Email Alert System. Between August 30, 2018 and November 25, 2018, PAO distributed three industry bulletins.

Release Date	Bulletin Title
August 30, 2018	New Requirement for Residential Solar Energy System Contracts to Take Effect January 1, 2019
October 5, 2018	Licensed Contractors Needed for Seismic Retrofits
October 26, 2018	Recycle Unwanted Paint easily and for Free

**APPLICANT & INDUSTRY OUTREACH REGARDING CSLB LICENSURE PROCESS**

In November 2017, CSLB launched a new program of monthly workshops in Sacramento to assist potential and likely license applicants. The licensing workshops, conducted in both English and Spanish, are designed to review the benefits of getting a contractor license, provide an overview of licensing requirements, explain the steps involved in getting a license, and to answer general questions about the licensing process. In January 2018 the workshops were expanded to Norwalk and are now conducted in each location on a monthly basis.

CONSUMER/COMMUNITY OUTREACH HIGHLIGHTS**Senior Scam StopperSM Seminars**

CSLB's Senior Scam StopperSM seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction-related scams and how seniors, who are often preyed upon by unlicensed or unscrupulous contractors, can protect themselves when hiring a contractor. Sessions feature expert speakers from local, state, and federal agencies, who present broader topics, including identity theft, auto repair, Medicare, foreign lotteries, and mail fraud.

The following seminars have been conducted and/or scheduled during October and November:

Date	Location	Legislative/Community Partner(s)
October 1, 2018	Vallejo	Asm. Tim Grayson
October 2, 2018	Long Beach	Asm. Anthony Rendon
October 4, 2018	Corcoran	Asm. Rudy Salas
October 5, 2018 AM	Burlingame	Asm. Kevin Mullin
October 5, 2018 PM	San Jose	Cong. Anna Eshoo/Asm. Evan Low
November 8, 2018	Mead Valley	Sen. Richard Roth
November 9, 2018	Riverside	Sen. Richard Roth
November 13, 2018	Chino	Asm. Freddie Rodriguez



From October through December, CSLB staff spoke/staffed booths for the following organizations/events and conducted Consumer Scam StopperSM seminars:

Date	Location	Organization/Event
October 10-11, 2018	Long Beach	Landscape Expo
October 17, 2018	Rohnert Park	California Municipal Revenue & Tax Association
October 19, 2018	Susanville	Senior Health Fair
October 26, 2018	Woodland	Yolo County Senior Fraud & Resource Fair
October 31, 2018	San Jose	Consumer Scam Stopper California Retired Public Employees Association
November 1, 2018	Victorville	Consumer Scam Stopper California Retired Teachers Association
November 1, 2018	North Hills	Consumer Scam Stopper Valley Outreach Men's Club
November 3-4, 2018	Fresno	Fresno Home Show
November 6, 2018	Sacramento	Sacramento Regional Builders Exchange
November 8, 2018	Sacramento	Caltrans
November 14, 2018	Pasadena	IHACI Trade Show
November 14, 2018	Sacramento	CalFire
November 14, 2018	Sacramento	Mexican Consulate Labor Rights Advocate Roundtable
November 27, 2018	Anaheim	Natl. Association of Women in Construction
November 28, 2018	Fresno	Fresno Police Department Cyber Summit

INTRANET/EMPLOYEE RELATIONS

Intranet (CSLBin)

CSLBin, the employee-only Intranet site, was launched in November 2013. Stories and photos highlight employee and organizational accomplishments. In addition to employee news, the site is also kept up-to-date with the latest forms, policies, reports, and other information used by CSLB staff around the state.



Recent articles and photo galleries highlighted Halloween Celebrations, HQ Chili Cook-Off, Southern California Staff Recognition, Hiring of New Licensing Chief, profile of Warehouse staff, HQ Book and Gift Fair, and special section on HQ Building Improvements.

AGENDA ITEM I

Closed Session:

Pursuant to Section 11126(e) of the Government Code, the Board will move into closed session to receive advice from legal counsel in the following matter: *Atkinson Contractors LP, et al. v. Registrar of Contractors of the California Contractors State License Board, et al.*, San Francisco Co. Sup. Ct, Case No. CPF-18-516374.



AGENDA ITEM J

Adjournment

